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In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

Petition for Writ of Certiorari

LEONARD L. KALISH,
Land Title Building,
Philadelphia (10), Pa.

MELVIN R. JENNEY,
24 School Street,
Boston, Mass.

THOMAS J. FLYNN,
Turks Head Building,
Providence, R. I.
Attorneys for Petitioner.

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Petition for Writ of Certiorari

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Park-In Theatres, Inc., respectfully prays for a writ of certiorari to review the decision* (R., pp. 767-780 and F. 2d) and judgment* (R., p. 782) of the United States Court of Appeals for the First Circuit rendered in the above-entitled case on April 8, 1949,

which appellate decision, inter alia, sets aside[2] or overrules[2] the trial court's *fact-finding of invention* (R., pp. 426-430) and on that basis reverses the trial court's decision (R., pp. 403-420 and 70 F. Supp. 880) on the patent phase of the case, and

which appellate decision declines either to dismiss or decide respondent's appeal with respect to the trial court's decision on the contract phase of the case (with a dissent as to appellate jurisdiction over the lower court's decision on the contract phase of the case).

A certified transcript of the record in the case, including the proceedings in said Court of Appeals, is furnished herewith, in accordance with Rule 38 of this Court.

Summary and Short Statement of the Matter Involved

Nature of the suit

The present suit was brought in the United States District Court for the District of Rhode Island, by petitioner, Park-In Theatres, Inc., as plaintiff, against respondent, Loew's Drive-In Theatres, Inc. as defendant, on *two counts*, namely:

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* On the appeal of respondent (defendant-appellant below).

[2] R., p. 779, third line from bottom.

Count 1: for damages for breach of contract, namely, for unpaid royalties due under a certain patent license contract dated June 1, 1937, between petitioner and respondent (Ptf's Exh. 3; R., pp. 455-464 & 142);—for the period prior to its cancellation or termination (on June 1, 1938)

and

Count 2: for damages on account of respondent's infringement of petitioner's theretofore licensed patent (Ptf's Exh. 1; R., pp. 441-451 & 109) occurring after the admitted cancellation or termination (on June 1, 1938) of said license-contract.

Proceedings in the trial court

Trial by jury having been demanded and granted, this suit was one to be tried to a jury. By subsequent agreement* of the parties, however, the jury was waived (on pre-trial conference) shortly before trial, and therefore the case was tried to the court without a jury.

By agreement[2] between the court and counsel, the trial of the case was confined to the question of whether defendant-respondent is liable under *count 1* and/or *count 2;*—it having been agreed (R., p. 25) that if the trial court determines that defendant is liable, on either count, then the amount or extent of such liability will be *subsequently* determined by the court.

After defendant filed a Motion for Summary Judgment going to the validity of the patent-in-suit (R., pp. 12-13) *which Motion defendant withdrew upon the hearing thereon* (see Order of 7-20-42 at R., p.. 16-17) and after

* Embodied in paragraph 18 (R., p. 25) of the pre-trial Order (R., pp. 22-25) dated November 16, 1944.

[2] Embodied in paragraph 17 (R., p. 25) of the pre-trial Order (R., pp. 22-25) dated November 16, 1944.

defendant shifted its defenses *many* times* by amendments to its answer and by notices of additional "prior-art", and after two pre-trial conferences (on October 18, 1944, and on November 16, 1944) in an effort to crystalize the *issues to be tried* (culminating in Pre-Trial Order of 11-16-44 at R., pp. 22-25), and after pre-trial depositions going to many of the pleaded defenses, the case was tried to the court from January 22 to 30, 1945.

The trial court then received briefs;—plaintiff's brief having been filed on March 24, 1945, defendant's brief on June 21, 1945, and plaintiff's reply brief on July 26, 1945.

On September 26, 1945, the trial court called for a viewing of defendant's drive-in theatre charged to infringe the patent-in-suit, and such viewing was had on October 4, 1945, in the presence of counsel for both sides, during which viewing the operation of the successive rows of car-aiming ramps and their relation to driveways and screen was demonstrated to the trial judge.

The Trial Court's Opinion, Findings and Conclusions

On March 11, 1947, the trial court handed down its Opinion (R., pp. 403-420 and 70 F. Supp. 880) holding the contract-in-suit valid and enforceable and defendant liable for the unpaid royalties due thereunder up to its termination on June 1, 1938, and holding the patent-in-suit valid, enforceable and infringed by defendant since June 1, 1938, and defendant liable for such infringement, and directing the parties to proceed in accordance with paragraph 17 (R., p. 25) of the Pre-Trial Order, for the determination of the *amount* of defendant's liability.

The trial court's Findings of Fact (R., pp. 426-430), Conclusions of Law (R., pp. 431-2) and Interlocutory Judgment (R., pp. 424-5) were filed on August 11, 1947.

The trial court found that:

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* On 9-21-44, at R., pp. 18-19; on 11-16-44, at R., pp. 22-25; on 12-21-44, at R., p. 26; on 12-22-44, at R., p. 27; on 1-10-45, at R., pp. 27-8; and on 1-10-45, at R., pp. 28-9.

A) The drive-in theatre of the patent-in-suit is new, useful and unanticipated *(Findings 24, 23, 22 & 21)* and is *ingenious* and practical, a completely new idea of giving entertainment to people who could otherwise not ordinarily go to the theatre, and is a beneficial contribution to the art of exhibition of motion pictures and is a good business investment, and a commercial success *(Findings 18, 19, 20, 21, 22 & 25)*, and involved the exercise of inventive genius *(Finding 22)*.

B) The Hollingshead patent-in-suit *does* explain the principle of Hollingshead's drive-in theatre, and the best mode in which Hollingshead contemplates applying that principle so as to distinguish it from other inventions *(Finding 17)*.

The trial court concluded that:

C) Hollingshead had complied with and the patent-in-suit satisfies the requirement of R.S. 4888 (35 U.S.C. 33) *(Conclusion 43)*.

D) The drive-in theatre of the patent-in-suit is patentable subject-matter within R.S. 4886 (35 U.S.C. 31), i. e. is a "machine" and a "manufacture" *(Conclusion 42)*.

E) The claims of the patent-in-suit are valid *(Conclusion 44)*.

The decision of the Court of Appeals

In its Opinion handed down on April 8, 1949 (R., pp. 767-782), the U. S. Court of Appeals for the First Circuit declined to dismiss or decide defendant's appeal as to *Count 1 of the Complaint*, and reversed the trial court's decision on the patent phase of the case and held the plaintiff's patent-in-suit invalid on defendant's appeal as to *Count 2 of the Complaint*, by, inter alia, reversing or setting aside the trial court's *fact-finding* of invention, *without, however, relying on any of the many prior-art patents and publications or on the alleged prior-use of record herein and relied on by defendant both in the trial*

court and in the appellate court, and in disregard† of all evidence supporting the trial court's fact-finding of invention.

The patent in suit

Petitioner (plaintiff-appellee below) is the owner and licensor of U. S. patent 1,909,537 issued on May 16, 1933, to Richard M. Hollingshead, Jr., on Drive-In Theatre.

The drive-in theatre *structure* of the patent-in-suit consists, inter alia, on an elevated screen and a successive series of arcuate automobile driveways and arcuate rows of car-aiming ramps, alternating with each other (in front of the screen) the car-aiming ramps being inclined (that is, with the front thereof higher than the rear thereof), and so arranged that by driving a car onto a car-aiming ramp the car is tilted to an angle, with the car-angle variable at the will of the driver by moving the car more or less up on the inclined car-aiming ramp, thereby to adjust the car-angle so that the vertical angle-of-vision* of the car-occupants will register with and encompass the vertical dimension of the screen, with the lower sight-line, clearing the roofs of the cars on the car-aiming ramps ahead;—each driveway being depressed below the front of the car-aiming ramp behind it, so that cars can drive in and out without passing through the line-of-vision of the car-occupants on the car-aiming ramps and with successively rearward car-aiming ramps being successively higher in general elevation but having successively lesser angles of inclination, and electrical sound-reproducing means in operative relation to the car-aiming ramps.

The prior art

Long prior to Hollingshead there were many sporadic (and unsuccessful) outdoor movie theatres (R., pp. 35-6,

* Fixed by the height of the lower and upper edges of the windshield and the height of the occupants' eyes and the distance between the occupants' eyes and the windshield.

† See Opinion, page 776, line 10.

48, 55 & 523-5) sometimes called "airdromes"* so that the desirability of outdoor movies was long recognized.

Likewise, long prior to Hollingshead, automobiles were in wide and general use, and defendant has argued that there have been instances[2] where some people watched polo games and other athletic events while seated in a car on the edge of the field or watched crew races while seated in a car on the river bank.[3]

Theatre structures, of many different constructions, were old long prior to the invention of the patent-in-suit, as shown by the large collection of "prior-art" patents and publications and the prior-use pleaded and introduced in evidence by respondent (defendant-appellant below), as listed in the *patent-defense Chart* at the end of the supporting Brief.

There was *no* prior theatre structure, however, disclosed or suggested in *any* of the prior-art patents and publications in the prior-use pleaded and introduced in evidence, in which a successive series of "steps" or terraces was arranged with an *overall* slope inclined downwardly towards the screen and with the individual steps or terraces sloped *oppositely to the* aforesaid *overall* slope, so that while the terraces nearer the screen are at a lower *general* elevation and the terraces farther away from the screen at a higher *general* elevation, yet, the front of each terrace is *higher* than the rear of the terrace, as shown, for instance, in Figures 6, 7 and 8 of the patent-in-suit (R., p. 445). Not only is this *reverse-sloping* of the individual terraces or steps *in relation to the overall slope* of all of the steps, *not* shown in the prior-art, but the specific adjustable car-tilting or car-aiming arrangement of the patent-in-suit is likewise not shown in the prior-art, and it by reason of this *structure* that the

* Never relied upon either to anticipate or to negative invention in the patent-in-suit.

[2] Not of record.

[3] None of these things was ever pleaded, proved or relied on to anticipate or to negative invention in the patent-in-suit.

angle of the car can be varied by varying its position on the car-aiming ramp.

There is no "prior-art" of record disclosing or suggesting *any* drive-in theatre.

Drive-in theatre of patent-in-suit, is a pioneer invention

Hollingshead was the first one to invent the drive-in theatre *structure* or construction which produced the *first drive-in* motion-picture *theatre in history.*

Prior to the building of Hollingshead's theatre in Camden, N. J., in 1933, *no* drive-in theatre (of *any* kind) ever existed.

Patent-in-suit is a pioneer patent

The patent-in-suit is the first drive-in theatre patent ever issued in the World.

Prior to the Hollingshead patent-in-suit, there was no disclosure or suggestion, in *any* patent or publication, of *any* drive-in theatre whatever. Neither the phrase or term "drive-in theatre", nor any phrase or term meaning the same thing, has *ever* been found in *any* patent or printed publication prior to Hollingshead.

Hollingshead's drive-in theatre is a pioneer invention and gave rise to a large *new* industry, to the great benefit of the motion-picture producers and exhibitors and to the public.

Hollingshead's conception of his invention of the patent-in-suit and his experimental work in connection therewith

A year and a half before Hollingshead filed his application for the patent here in suit, he tried to find a way to build a drive-in theatre *"and that offered considerable difficulty"* (R., p. 73), and he worked on this for about a year (R., p. 73, line 25) before he solved the problem, *"and gradually the whole thing seemed to come to (him), especially the adjustability of the ramps, which gave*

(him) a great deal of concern because all people were not of the same stature nor all of them rode in the same type or make of automobile nor was the same type of automobile of the same vintage. That offered considerable difficulty" (R., p. 73) and, after so working for about a year on how to accomplish this, *"at one time (he) struck upon the idea of how to accomplish that"* (R., p. 73), namely *"how to create adjustability for all different heights of cars and all different heights of people and eyes"* (R., pp. 73-4), and then went through several successive stages of experimentation in connection with this structure (R., pp. 73-5), and thereafter built a wooden model thereof in the later part of February or the early part of March, 1931 (R., p. 83), and thereafter built the first full-size drive-in theatre in 1933.

Initial skepticism of the industry followed by general acceptance of the drive-in theatre of the patent-in-suit

In the face of the universal skepticism of those skilled in the motion picture exhibition industry, as to whether his drive-in theatre structure would permit the unobstructed and effective viewing of a motion-picture from the seats of successive rows of automobiles, one behind the other, and whether it would permit the ingress and egress of the automobiles without obstructing the view of those behind (R., pp. 75-7, 83, 520-8, 194, 62-4, 70, 119-123), and unable to persuade any motion-picture exhibitors or producers to adopt his drive-in theatre invention (because of this *skepticism as to the practicability of his structure*), Hollingshead (in 1933) built the first drive-in theatre in history (at Camden, N. J.) (R., pp. 77-8), which was then promptly and widely acclaimed as an outstanding innovation in motion-picture exhibition (R., pp. 81-3 and PX-10 at R., pp. 477-483, and PX-16 at R., pp. 497 & 144, and PX-17 at R., pp. 499 & 147, and PX-18 at R., pp. 501 & 147, and PX-19 at R., pp. 503 & 147, and PX-20 at R., pp. 505 & 147, and PX-32 at R., pp. 543 & 399).

Defendant alleged its own prior effort to adopt and perfect the drive-in theatre of the patent-in-suit, in which effort it FAILED, according to the lower court's Findings of Fact

In paragraph 18 of its Answer (R., p. 10) *defendant alleged* that prior to Hollingshead *others* thought of the drive-in theatre of the patent-in-suit and *"were using reasonable diligence in adopting and perfecting the same"*, and 4½ years after it filed its original Answer, defendant amended paragraph 18 of its Amended Answer (see paragraph 13 of the Pre-Trial Order of November 16, 1944, at R., p. 24) to allege that among those who *"were using reasonable diligence in adopting and perfecting the" drive-in theatre idea of the patent-in-suit* (prior to Hollingshead), *was Mr. Elias M. Loew, in his own Watertown Square Theatre* (near Boston) and, both upon pre-trial depositions as well as upon the trial, defendant introduced evidence in support of this allegation but the trial court, after hearing the testimony impliedly found that Mr. Elias M. Loew failed to bring into being (or disclose) the drive-in theatre of the patent-in-suit (or, indeed, *any* drive-in theatre) *prior* to Hollingshead, notwithstanding his *"reasonable diligence in adopting and perfecting the same"* which defendant affirmatively pleaded by its notice of November 3, 1944, under paragraph 18 (R., pp. 10-11) of its Amended Answer, as shown by paragraph 13 (R., p. 24) of the Pre-Trial Order of November 16, 1944 (R., pp. 22-25).

Defendant's adoption and use of the invention of the patent-in-suit first under license then in infringement of the patent-in-suit

Mr. Elias M. Loew, president of respondent (defendant-appellant below) visited and inspected Hollingshead's Camden drive-in theatre (R., pp. 80-81). Thereafter respondent took a license under the patent-in-suit on June 1, 1937, built a drive-in theatre in Providence, R. I.,

under said license, paid royalties for a while and then stopped paying royalties;—whereupon petitioner (plaintiff-appellee below) canceled the license. Respondent continued to operate its aforesaid Providence drive-in theatre after the license was canceled, *in admitted infringement* of the patent-in-suit.*

Hence the suit at bar and its *two* counts.

Appellate Opinion does not rely on prior-art of record

In its Opinion (R., pp. 773-780) the appellate court does not rely on *any* of the many prior-art patents and publications nor upon the alleged "prior-use" pleaded and introduced in evidence (and designated as a part of the record on appeal) and assigned by defendant in its *Statement of Points* under Rule 75-d (F.R.C.P.) in the words:

> "2. The disclosures of said patent * * * lack invention, in view of the prior knowledge of those skilled in the art, *as shown by the record herein*"[1],

and relied upon by defendant in its Brief in the Court of Appeals, as the *sole* basis for defendant's contention of "non-invention" or "want of invention".

Jurisdiction

There is a suit arising under the Patent Laws of the United States, and the U. S. District Court's jurisdiction was involved under Section 24(7)[2] of the Judicial Code; 28 U.S.C. 41(7).[2]

The jurisdiction of this Court is invoked under Section 1254 (1) of Title 28 of the United States Code.[3]

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* See paragraph 8 (R., p. 23) of Order on pre-trial conference.

[1] This is the *only* appeal-point in defendant's *Statement of Points* (under Rule 75-d) going to the defense of non-invention pleaded in paragraphs 16, 17 & 18 of the Answer (R., pp. 10-11).

[2] Since, replaced by 28 U.S.C. 1338.

[3] Which became effective September 1, 1948 (the corresponding Statute effective prior to September 1, 1948, having been 28 U.S.C. 347).

The Judgment your petitioner seeks to have reviewed is dated April 8, 1949;—the date of entry of the Judgment in the Court of Appeals.

The Mandate has been stayed by Order of the Court of Appeals, to permit the filing of a Petition for Writ of Certiorari.

Questions Involved

Question 1: Did the Court of Appeals err in reversing the trial court's fact-finding of invention and in holding the patent-in-suit invalid for lack of invention?[1]

(this Question is involved in the 1st, 2nd, 3rd & 4th Reasons relied on for the Allowance of Writ of Certiorari)

Question 2: Did the Court of Appeals err in overruling the trial court's fact-findings of invention and in holding[2] irrelevant or "beside the point", all testimony and evidence supporting the trial court's fact-finding of invention and fortifying the legal presumption of invention inherent in the granting of the patent?

(this Question is involved in the 3rd, 4th & 5th Reasons relied on for the Allowance of Writ of Certiorari)

Question 3-a: Can patentable invention reside, at least in part, in the conception or idea, or can patentable invention

[1] Which the Court of Appeals did without reliance upon any extrinsic evidence of record impugning the validity of the patent. In its decision as to which certiorari is here sought, the Court of Appeals for the First Circuit apparently did *not* rely upon *any* of the prior-art patents and publications nor upon the alleged prior-use pleaded, introduced in evidence, designated by defendant to become a part of the *Record of Appeal* and assigned by it in its *Statement of Points* under Rule 75-d, and disregarded all evidence supporting the trial court's fact-finding of invention and fortifying the legal presumption of invention inherent in the granting of the patent.

[2] See Opinion, R., p. 776, lines 10 to 20.

reside *only** in the assembling of the component elements into a unitary structure constituting a physical embodiment of the concept or idea?

or, stating it another way,

Question 3-b: Can patentability be based:

I) on the creative genius needed for the new conception or idea

or

II) only on the ingenuity needed in making a device which is a physical embodiment of the new conception or idea*

or

III) on the combination of the two (I & II)?

(this Question is involved in the 4th Reason for the Allowance of Writ of Certiorari)

Question 4: Is the test of patentability of patent-claims covering a *combination* of different elements, the novelty and/or ingeniousness of each or any one of the component element, per se, or is the test of patentability the novelty and/or ingeniousness of the *combination* defined by the claims of the patent?

(this Question is involved in the 8th Reason relied on for the Allowance of Writ of Certiorari)

Question 5-a: Did the Court of Appeals err in holding that a *long* period[2] of time must intervene between conception and reduction to practice, in order that the patentee's contribution might be deemed *inventive* within

* As held by the Court of Appeals in the decision which is the subject of the present petition.

[2] In the case at bar this period is more than a year, according to plaintiff's interpretation of the record, and is but a few months, according to defendant's interpretation of the record.

the meaning of 35 U.S.C. 31, and is such holding compatible with this Court's requirement[2] that invention must involve a *flash* of creative genius?

Question 5-b: Where the inventor of the patent-in-suit "was the first to hit upon the idea of a drive-in theatre and consequently * * * the first to appreciate the problems inherent in designing a practical one"[3], does it mitigate against the validity of the patent-in-suit, on the fact-question of invention, that "it did not take him (i. e. the patentee) long to solve these problems"?[4]

(this Question, parts "a" & "c", is involved in the 6th Reason relied on for the Allowance of Writ of Certiorari)

Question 6: Where does the burden lie, in a patent infringement suit, in respect to the validity of the patent, namely,

a: does the defendant have the burden affirmatively to show by cogent and persuasive evidence that the patentee's contribution did not involve the exercise of inventive faculties

or

b: does the plaintiff have the burden[4] of establishing (regardless of the prima facie validity of a regularly issued U. S. patent) that the patentee's contribution involved the exercise of the inventive faculties?

(this Question is involved in the 2nd Reason relied on for the Allowance of Writ of Certiorari)

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[2] In *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84; 86 L.Ed. 58.

[3] Appellate Opinion, R., p. 779, lines 16 to 18.

[4] Appellate Opinion, R., p. 779, lines 18 & 19.

Question 7: Is it incumbent upon a patentee (who is the pioneer in his field and who started an entire new industry) affirmatively to show some prior unsuccessful efforts of others, in order to sustain the validity of the patent?[4]

(this Question is involved in the 2nd Reason relied on for the Allowance of Writ of Certiorari)

Question 8: Is not defendant's affirmative pleadings in its Answer that *others* prior to the patentee "were using reasonable diligence in adapting and perfecting" the drive-in theatre of the patent-in-suit, such a *judicial admission*

as conclusively estopped defendant-appellant from contending (for the first time on appeal) that "there had been no unsuccessful efforts wherein others had tried and failed" "to discover the means for making drive-in theatres practically useful", and

as precluded the appellate court from predicating its reversal of the trial court's judgment (which held the patent valid) wholly or in part upon the adoption of the aforesaid defense-contention?

(this Question is involved in the 7th Reason relied on for the Allowance of Writ of Certiorari)

Question 9: Did the U. S. Court of Appeals err in reversing the trial court's judgment and fact-findings of invention and in holding the patent-in-suit invalid upon a ground or defense *not* pleaded, noticed, urged or considered in the trial court?

(this Question is involved in the 9th Reason relied on for the Allowance of Writ of Certiorari)

[4] As, in effect, held by the Court of Appeals.

Question 10. Did the U. S. Court of Appeals err in reversing the trial court's judgment and fact-findings of invention and in holding the patent-in-suit invalid upon a ground or defense not assigned in defendant-appellant's *Statement of Points* under Rule 75-d (F.R.C.P.)?

(this Question is involved in the 9th Reason relied on for the Allowance of Writ of Certiorari)

Reasons relied on for the allowance of Writ of Certiorari

1) On foregoing *Question 1*, the decision of the U. S. Court of Appeals for the 1st Circuit, in the case at bar, is, in effect, in *conflict* with the decision* rendered by the U. S. Court of Appeals for the *9th Circuit on the same matter* (namely, the patent here in suit) in the following case: *Park-In Theatres, Inc.* v. *M. A. Rogers et al*, 130 F. 2d 745, 747 (covered by *Argument-Points 1-A, 1-B & 1-C* of supporting Brief).

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* In the case at bar the Court of Appeals held the patent invalid for lack of invention (and so reversed the trial court) without reliance upon any of the prior-art patents and publications or the prior-use pleaded, introduced in evidence and assigned by defendant in its *Statement of Points* (under Rule 75-d) as the sole basis urged by it, on appeal, for its contention of "lack of invention", and in disregard (R., p. 776, lines 10 to 20) of all evidence supporting the trial court's fact-finding of invention. In *Park-In* v. *Rogers*, supra, the defendant moved for summary judgment on four grounds, including "(*c*) Want of Invention" (see *Appendix B*, page 1b, line 16) and the U. S. District Court for the Southern District of California sustained this ground both in its Memorandum of Conclusions (*Appendix C*, page 1c, lines 12 to 14) as well as in its Conclusions of Law (*Appendix D*, page 1d, lines 8 to 12) and this ruling by the District Court was included in the grounds of appeal (*Appendix E*, page 1e, lines 16 to 21) to the Court of Appeals for the 9th Circuit. The Court of Appeals for the 9th Circuit, having reversed the District Court in *Park-In* v. *Rogers*, supra, impliedly and necessarily also reversed the trial court's holding of non-invention which was an entirely separate and independent basis for the District Court's summary judgment. Insofar as the Court of Appeals, in the case at bar, does *not* rely on *any* of the pleaded prior-art and ruled out all evidence fortifying the legal presumption of invention and supporting the trial court's fact-finding of invention, its holding of invalidity for lack of invention is necessarily on the same basis as one of the two grounds upon which the District Court, in *Park-In* v. *Rogers*, supra, entered the summary judgment which was reversed by the 9th Circuit.

2) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 1, 6 and 7,* in a way which is in conflict with the following applicable decisions of this Court, and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Courts of Appeals of the First and other Circuits, in that the *Court of Appeals, in the case at bar, held the patent in suit invalid for lack of invention without reliance upon any of the prior-art of record and without reliance upon any defense pleaded by the defendant and in disregard of the legal presumptions of validity inherent in the grant of the patent, and in disregard*[2] *of all evidence supporting the trial court's fact-finding of invention* (covered by *Argument-Point 2* of supporting Brief):

Mumm v. *Decker*, 301 U.S. 168, 171; 81 L. Ed. 983, 985;

Cantrell v. *Wallick*, 117 U.S. 689, 695-6; 29 L. Ed. 1017, 1019;

Smith v. *Goodyear Dental Vulcanite Co.*, 93 U.S. 486; 23 L. Ed. 952, 955;

Lehnbeuter v. *Holthaus*, 105 U.S. 94; 26 L. Ed. 939, 949;

Coffin v. *Ogden*, 85 U.S. 120; 21 L. Ed. 821, 823;

Washburn & Moen Mfg. Co. v. *Beat 'Em All Barbed Wire Co.*, 143 U.S. 275; 36 L. Ed. 154, 158-9;

Adamson v. *Gilliland*, 242 U. S. 350, 353; 61 L. Ed. 356, 357-8;

Park-In Theatres, Inc. v. *Rogers et al*, 130 F. 2d 745, 747 (CCA-9) involving the same patent;

Bianchi v. *Barili*, 168 F. 2d 793, 795 (CCA-9);

General Motors Corp. v. *Kesling*, 164 F. 2d 824, 827 (CCA-8) certiorari denied 333 U.S. 855;

[2] See Opinion at R., p. 776, lines 10 to 20.

National Slug Rejectors v. *A. B. T. Mfg. Corp.*, 164 F. 2d 333, 338-9 (CCA-7), certiorari denied 333 U.S. 832;

Lincoln Stores v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA-1), certiorari denied 329 U.S. 811.

3) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 1 and 2*, in a way which is in conflict with the following applicable decisions of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Court of Appeals of the First Circuit and other Circuits, in that the decision of the *Court of Appeals, in the case at bar, overrides, overrules or sets aside and vitiates the fact-findings of the trial court*[2] *on the fact-question of whether it involved the exercise of the inventive faculties to have conceived and brought into being the drive-in threatre** *defined by the claims of the patent in suit* (covered by *Argument-Point 3* of supporting Brief):

Rule 52-a of the Federal Rules of Civil Procedure;

Graver Tank & Mfg. Co. v. *Linde Air Products Co.*, 336 U.S. 271, 93 L. Ed. 492, 496, 80 USPQ 451;

Goodyear Tire & Rubber Co. v. *Ray-O-Vac Co.*, 321 U.S. 275, 278; 88 L. Ed. 721, 724;

Williams Mfg. Co. v. *United Shoe Machinery Corp.*, 316 U.S. 364, 367; 86 L. Ed. 1637, 1641;

United States v. *Esnault-Pelterie*, 303 U.S. 26, 29; 82 L. Ed. 625;

[2] Which the appellate court did without reliance upon any prior-art of record or upon any defense pleaded by defendant.

* Which drive-in theatre is neither disclosed nor suggested in any prior patent or publication or in any prior-use.

Thomson Spot Welder Co. v. *Ford Motor Co.*, 265 U.S. 445, 446; 68 L. Ed. 1098, 1100;
Lincoln Stores v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA-1) certiorari denied 329 U.S. 811;
Faulkner v. *Gibbs*, 170 F. 2d 34, 37 (CA-9);
Strong-Scott Mfg. Co. v. *Weller*, 112 F. 2d 389, 395 (CCA-8);
Cusano v. *Kotler*, 159 F. 2d 159, 160 (CCA-3);
Sturtevant v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 906, 914 (CCA-1).

4) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 1, 2 and 3 (a & b)*, in a way which is in conflict with the following applicable decisions of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following decisions of this Court and of the Court of Appeals of other Circuits, and of the U. S. Court of Customs and Patent Appeals, in that the decision of the *Court of Appeals, in the case at bar, holds, in effect, that patentability cannot be based upon the ingeniousness of the new concept or concept or idea but only upon the ingenuity needed in making a device which is a physical embodiment of the new conception or idea;—once the conception or idea has been supplied by the patentee* (covered by *Argument-Point 4* of supporting Brief):

Hobbs v. *Beech*, 180 U.S. 383, 392; 45 L. Ed. 586, 592;
Smith v. *Nichols*, 88 U.S. 112; 22 L. Ed. 566, 567;
Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U.S. 84, 90, 91; 86 L. Ed. 58, 62, 63;
Goodyear v. *Ray-O-Vac, supra;*
Sturtevant v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 907 (CCA 1);

Gillman v. *Stern*, 114 F. 2d 28, 30 (CCA 2);
Gelardin v. *Revlon Products Corp.*, 164 F. 2d 910, 911 (CCA 2);
Rosemary Mfg. Co. v. *Halifax Cotton Mills*, 257 Fed. 321, 322 (CCA 4);
Seymour v. *Ford Motor Co.*, 44 F. 2d 306, 309 (CCA 6);
Pyrene Mfg. Co. v. *Boyce*, 292 Fed. 480, 481 (CCA 3);
In re Holt, 162 F. 2d 472, 475-6 (CCPA);
In re Earle, 102 F. 2d 232, 235 (CCPA).

5) The U. S. Court of Appeals for the First Circuit, in the case at bar, has decided an important question of federal law, namely, foregoing *Question 2*, in a way in conflict with applicable decisions of this Court and has so far departed from the accepted and usual course of judicial proceedings, as shown by the following applicable decisions of this Court and of the Courts of Appeals for the First and other Circuits, as to call for an exercise of this Court's power of supervision; in that the decision of the Court of Appeals, in the case at bar, departed from, and is at variance with, the long established principle that *commercial success and recognition and acceptance by others in the field constitute evidence of invention which can be relied on to support trial court's fact-finding of invention* (covered by *Argument-Point 5* of supporting Brief):

Goodyear Tire & Rubber Co. v. *Ray-O-Vac Co.*, 321 U.S. 275, 278; 88 L. Ed. 721, 724;
Smith v. *Goodyear Dental Vulcanite Co.*, 93 U.S. 486, 495; 23 L. Ed. 952, 954-5;
Magowen v. *New York Belting & Packing Co.*, 141 U.S. 332, 343; 35 L.Ed. 781, 785;
Topliff v. *Topliff*, 145 U.S. 156, 163-4; 36 L. Ed. 658, 661-2;
Keystone Mfg. Co. v. *Adams*, 151 U.S. 139, 143; 38 L. Ed. 103, 104;

C. & A. Potts & Co. v. *Creager*, 155 U.S. 597, 609; 39 L. Ed. 275, 279;

Minerals Separation Ltd. v. *Hyde*, 242 U.S. 261, 270; 61 L. Ed. 286, 293;

Smith v. *Snow*, 294 U.S. 1, 7, 14; 79 L. Ed. 721, 725, 729;

Diamond Rubber Co. v. *Consolidated Rubber Tire Co.*, 220 U.S. 428, 434-5, 441; 55 L. Ed. 527;

National Battery Co. v. *Richardson Co.*, 63 F. 2d 289, 292 (CCA 6);

McKee v. *Graton & Knight Co.*, 87 F. 2d 263, 264 (CCA 4);

Lincoln Stores v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA 1); certiorari denied 329 U.S. 811;

Strong-Scott Mfg. Co. v. *Weller*, 112 F. 2d 389, 395 (CCA 8);

James P. Marsh Corp. v. *U. S. Gauge Co.*, 129 F. 2d 161, 163-4 (CCA 7);

Forestek v. *Knapp-Monarch Co.*, 106 F. 2d 554, 558 (CCA 6);

Electric Machinery Mfg. Co. v. *General Electric Co.*, 88 F. 2d 11, 14-15 (CCA 2).

6) The U. S. Court of Appeals for the First Circuit, in the case at bar, has decided an important question of federal law, namely, foregoing *Question 5 (a & c)*, in a way in conflict with the following applicable decision of this Court and has so far departed from the accepted and usual course of judicial proceedings, is shown by the following applicable decision of this Court and by the following applicable decision of the Court of Appeals for another Circuit, as to call for an exercise of this Court's power of supervision; in that the decision of the *Court of Appeals, in the case at bar holds that invention is negatived by reason of the fact that it did not take the patentee long to perfect and embody his invention after having conceived it*, whereas this Court has held that

patentable invention lies in the flash* of creative genius and not in the longer effort usually required to make a physical embodiment of the inventive concept or idea (covered by Argument-Point 6 of supporting Brief):

Cuno Engineering Corp. v. *Automatic Devices Co.*, 314 U.S. 84, 91; 86 L. Ed. 58, 63;
Potts v. *Coe*, 140 F. 2d 470, 473 (App. D. C.).

7) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Questions 7 and 8*, in a way which is in conflict with the following applicable decision of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Courts of Appeal of other Circuits, in that the decision of the *Court of Appeals, in the case at bar,*

a) *relies,* at least in part, *upon plaintiff's failure to show prior unsuccessful efforts of others* (a point urged by defendant for the first time on appeal), *whereas that question was closed by defendant's affirmative pleading to the contrary* (in its Answer), to the effect that others prior to the patentee of the patent-in-suit had diligently tried to adopt and perfect a drive-in theatre of the patent in suit, and

b) *fails to give full force and effect to the judicial admission which such affirmative pleading constitutes* (covered by Argument-Point 7 of supporting Brief):

Miles v. *U. S.*, 103 U. S. 304 (26 L. Ed. 481, 483-4);
Alamo v. *Del Rosario*, 98 F. 2d 328, 330 (App. D.C.);
Jones v. *Moorhead*, 68 U.S. 155; 17 L. Ed. 662;

* In contradistinction to the slow, methodical progress involved in the so-called "Routineering" criticized in *Potts* v. *Coe*, 140 F. 2d 470, 473 (App. D. C.).

Darling Shops, Inc. v. *Brack*, 95 F. 2d 135, 141 (CCA 8);
Stolte v. *Larkin*, 110 F. 2d 226, 232 (CCA 8);
Scott v. *Commissioner*, 117 F. 2d 36, 40 (CCA 8).

8) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided important questions of federal law, namely, foregoing *Question* 4, in a way which is in conflict with the following applicable decisions of this Court and in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision, as shown by the following applicable decisions of this Court and of the Courts of Appeal of other Circuits, in that the decision of the *Court of Appeals, in the case at bar, either held, in effect (and contrary to the below-cited decisions), that novelty and ingeniousness (as a basis of patentability) must be found in the component elements, per se, of the claimed combination, rather than in the combination as such, or ignored the question of patentability residing in the combination as such and confined its examination of the question to the novelty and ingeniousness to the component elements, per se* (covered by Argument-Point 8 of supporting Brief):

Expanded Metal Co. v. *Bradford*, 214 U.S. 366, 381; 53 L. Ed. 1034, 1039;
Webster Loom Co. v. *Higgins*, 105 U.S. 580; 26 L. Ed. 1177, 1181;
Forestek Plating & Mfg. Co. v. *Knapp Monarch Co.*, 106 F. 2d 554, 557 (CCA 6);
Simons v. *Davidson Brick Co.*, 106 F. 2d 518, 521 (CCA 9);
General Motors Corp. v. *Swan Carburetor Co.*, 88 F. 2d 876, 887 (CCA 6) certiorari denied 302 U.S. 691.

9) The U. S. Court of Appeals for the 1st Circuit, in the case at bar, has decided an important question of federal law, namely, foregoing *Questions 9 and 10* in a way which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of

this Court's power of supervision, as shown by the following applicable constitutional provisions, rules and decisions of this Court and of the Court of Appeal of the First and other Circuits, in that the decision of the *Court of Appeals, in the case at bar,*

a) *based its reversing decision upon defenses not pleaded, noticed, urged or considered in the trial court* (covered by *Argument-Point 9-A* of supporting Brief):

Rules 8-c, 12-b and 12-h of the Federal Rules of Civil Procedure;

Mumm v. *Decker,* 301 U.S. 168, 171 (81 L. Ed. 983, 985);

Schmidtke v. *Conesa,* 141 F. 2d 634, 635 (CCA 1);

Edward B. Marks Music Corp. v. *Jerry Vogel Music Co.,* 140 F. 2d 268, 270 (CCA 2);

Roe v. *Sears, Roebuck & Co.,* 132 F. 2d 829, 832 (CCA 7);

Chicago Great Western Ry. Co. v. *Peeler,* 140 F. 2d 865, 868 (CCA 8);

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Federal Deposit Insurance Corp. v. *Congregation Poiley Tzedeck,* 159 F. 2d 163, 167 (CCA 2);

and

b) *based its reversing decision upon defenses or grounds not assigned in defendant-appellant's Statement of Points under Rule 75-d of the Federal Rules of Civil Procedure* (covered by *Argument-Point 9-B* of supporting Brief):

Rule 75-d of the Federal Rules of Civil Procedure;

Jesionowski v. *Boston & Maine Railroad,* 329 U.S. 452, 458-9; 91 L. Ed. 416, 421;

Ritchie v. *Drier,* 165 F. 2d 238, 240 (U. S. App. D. C.);

Kuper v. *Betzer,* 127 F. 2d 84, 85 (CCA 8);

and thus the U. S. Court of Appeals for the First Circuit deprived plaintiff of its property without due process of law, in violation of

The Fifth Amendment of the Constitution of the United States.

Conclusion

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued under the seal of this Court, directed to the United States Court of Appeals for the First Circuit, sitting at Boston, Massachusetts, commanding said Court to certify and send to this Court, on a date to be designated, a full and complete transcript of the record and all proceedings of the said Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this Court, and that the judgment and decision of the Court of Appeals for the First Circuit may be reversed, and that your petitioner may be granted such other and further relief as may to this Court seem proper.

PARK-IN THEATRES, INC.
Petitioner.

By
LEONARD L. KALISH,
MELVIN R. JENNEY,
THOMAS J. FLYNN,
Attorneys for Petitioner.

The undersigned hereby certify that the foregoing petition is in their opinion well founded, and that the case is one in which the petitioner's prayer should be granted by this Court.

.....
Leonard L. Kalish

.....
Melvin R. Jenney

.....
Thomas J. Flynn
Attorneys for Petitioner.

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CHARLES ELMORE C

In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

BRIEF

in support of

Petition for Writ of Certiorari

LEONARD L. KALISH,
Land Title Building,
Philadelphia (10), Pa.

MELVIN R. JENNEY,
24 School Street,
Boston, Mass.

THOMAS J. FLYNN,
Turks Head Building,
Providence, R. I.
Attorneys for Petitioner.

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Brief in Support of Petition for Writ of Certiorari

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

The opinions of the courts below

The opinion of the trial court is reproduced at pages 403 to 420 of the Transcript of Record (Vol. I) and is reported at 70 F. Supp. 880.

The reversing opinion of the Court of Appeals for the First Circuit is reproduced at pages 767 to 782 of the Transcript of Record (Vol. II) and is reported at F. 2d (81 USPQ 149);— and the only part of the Opinion of the appellate court which is involved on the present Petition for Writ of Certiorari is the part beginning in line 8 of page 773 and ending in line 2 of page 780 of the Transcript of Record (Vol. II).

Jurisdiction

The date of the judgment of the U. S. Court of Appeals for the First Circuit (to be reviewed) is April 8, 1949.

The judgment was entered in a patent infringement suit, brought under the Patent Statutes of the United States, on account of the infringement of Letters Patent for invention issued by virtue of Section 4886 of the Revised Statutes of the United States (35 USC 31).

Jurisdiction of this Court is invoked under Section 1254(1) of Title 28 of the United States Code.

Statement of the Case

A brief summary of the facts of the case (with references to the Record) is contained in pages 5 to 9, inclusive, of the Petition for Writ of Certiorari, and such summary of facts is here included, by reference.

The following is a supplemental and a somewhat more

detailed *statement of the facts* fortifying the legal presumption of *invention* inherent in the grant of the patent here in suit* and supporting the trial court's fact-finding[2] of invention, as involved more particularly in the following Argument-Points.

Initial skepticism of those skilled in the motion picture industry as to the feasibility of Hollingshead's drive-in theatre structure

After Hollingshead had completed his experiments (R., pp. 73-5) and *built* his wooden model of his drive-in theatre (R., p. 83), he "solicited the aid of quite a few people" "and some of the motion picture business" in an effort to get financial backing to commercialize his drive-in theatre (R., p. 75) but was unable to get any financial assistance, because these people, including people in the motion picture business, "did not understand" this drive-in theatre construction which Hollingshead explained to them, "and (these people)[3] did not know *how* (Hollingshead's drive-in theatre structure)[3] could work" and they "thought it was a good idea, but were skeptical" (R., p. 75);—naming some of these people (R., p. 76).

Rebuffed by the skepticism of the people in the East, to whom he presented his drive-in theatre idea with a view to its commercial exploitation, Hollingshead then went to California, in the summer of 1932, to see if he could interest motion-picture people on the West Coast in the com-

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* *The Court of Appeals, in the case at bar, held that all evidence* of the character which the courts have universally recognized as *tending to show invention*, and which, hence, supports the trial court's fact-finding of invention in the case at bar, *was "beside the point"* (R., p. 776, line 10), while *the Court of Appeals for the Ninth Circuit in Park-In* v. *Rogers* (130 F. 2d 745, 748), *held contrawise*, that plaintiff (petitioner) had "the right to fortify the presumption of validity of the patent by proof of matters tending to show that the conception of the patentee involved invention and utility".

[2] *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U. S. 271 (93 L. Ed. 492, 496; 80 USPQ 451).

[3] All parenthetical interpolative statements, within quotations, are supplied, unless otherwise noted.

mercial exploitation of his drive-in theatre idea and interviewed many motion picture producers and exhibitors in Southern California, but again without success (R., pp. 76-77).

Hollingshead's testimony as to initial skepticism in the industry is amply supported by the testimony of independent witnesses, all of whom were skilled in the theatre art and long familiar with "prior art" of the type relied on by the defendant at bar.

In an effort to arouse commercial interest in his drive-in theatre invention, Hollingshead also interviewed Harry Blumberg, manager of the National Theatre Supply Company of Philadelphia (R., p. 83) but, after explaining his invention to Blumberg, the latter just "shrugged his shoulders" and simply "didn't see how it was going to work".

Harry Blumberg, manager of the Philadelphia Branch of National Theatre Supply Company since 1926 (and in the theatre supply business prior to that since 1913) testified first of the experience of his company and of his personal experience in the equipping of motion-picture theatres with everything that goes into a theatre (R., pp. 520-521) and then testified that in the early part of 1932, he met Hollingshead, who came to him for information about getting equipment and how Hollingshead disclosed to him the drive-in theatre. Blumberg explained his utter skepticism about such an idea (R., p. 522) and how they continued to discuss this matter (R., pp. 521-522), and yet Blumberg did not think it possible to put a series of cars, one behind the other, and have the occupants of each car see the same motion-picture screen in the front of all the cars (R., p. 523), and how Blumberg, even after later seeing drawings of Hollingshead's drive-in theatre, still remained skeptical (R., pp. 525-526). Even while Hollingshead's Camden drive-in theatre was being built in the spring of 1933, at which Blumberg supervised the installation of equipment (R., p. 526), Blumberg was still skeptical, and it was not until he actually saw the thing in

actual operation, and had tried out the various ramps in a car, that he was satisfied;—because he then "saw how it was possible" (R., p. 526), and *after* going back to the Camden drive-in theatre a few times, to regular performances, he became interested in the drive-in theatre idea and "figured this thing is going to be a big thing in the future" (R., pp. 526-527) (194) and "was quite enthused about it" and "thought there were some possibilities for it" (R., p. 527), and that since then, his company had set up a special department for supplying equipment for drive-in theatres and put a man in charge of this department just to look after the sale of motion-picture equipment to drive-in theatres (R., p. 527).

Prior to the time Hollingshead's drive-in theatre was made known to Blumberg, he had not even seen anything like it (R., p. 528) or anything that suggested such a drive-in theatre to him (R., p. 528).

Edward Auger, home-office representative of the Photophone Division of the Radio Corporation of America, dealing with sound equipment and projection equipment for motion picture theatres, and who had been connected with the theatre business for 35 to 40 years in the production and distribution of film and in the operation of conventional motion-picture theatres and was familiar with the construction of theatres and has seen them under construction, and who was also familiar with Hollingshead's drive-in theatre construction and who had been to some of the drive-in theatres built and licensed under the patent-in-suit (R., p. 62), testified that he first became familiar with the drive-in theatre idea in 1932 when Hollingshead came to his company and asked him what he thought of a theatre whereby you could drive automobiles in and see the picture and listen to the sound, and that his first reaction was:

"I don't think it can be done" (R., pp. 62-63),

because it did not seem possible to him to visualize the screen and cars, driving, one behind the other, in rows, looking over the other cars and still seeing the picture, no

matter how high the picture was (R., p. 63), because he had a feeling that the windshield "kind of stopped you there, either on the height, because you had to look down to see the picture, or on the other end, because the car in front would cut it off" (R., p. 63).

After getting Auger's first reaction, Hollingshead explained the whole construction of his drive-in theatre to Auger and showed him how the ramps and driveways were to be constructed and how one car would see over the top of the other, and how it was possible, therefore, to have a number of ramps, each one being free to see the picture at the front of the drive-in theatre (R., pp. 63-64).

Even *after* the drive-in theatre idea and its construction were explained to Auger, he was still skeptical, and referred the matter to the Technical Department of the Engineering Department of his company (Radio Corporation of America), including James Frank, Jr. (R., p. 70).

Prior to Hollingshead's disclosure to him (in 1932) of the drive-in theatre idea Auger had never seen anything like it in all his experience (R., p. 64).

James Frank, Jr., an engineer and an executive of National Theater Supply Company, and who was formerly with R. C. A., testified that he met Hollingshead in the Spring of 1932 when Hollingshead came to R. C. A. for sound equipment for his drive-in theatre (R., pp. 119-120), and that at that time Hollingshead disclosed to him his drive-in theatre construction.

Before meeting Hollingshead in 1932 Frank's experience had included surveying *several hundred* indoor theatres throughout the United States in 1928 and 1929 (R., p. 125), for R. C. A., to determine the best type of sound equipment to be put into each theatre, so that he was familiar with indoor theatre construction prior to meeting Hollingshead (R., pp. 120-121);—had seen and become familiar with hundreds of indoor theatre of all types, including the "stadium" type indoor motion-picture theatre house (R., pp. 120-121) exemplified by E. M. Loew's own Watertown Square Theatre relied upon by defendant.

Frank described the "stadium" type indoor theatre as "a theatre in which the seats are elevated on successive steps, but where in no case does anyone sit under anyone else. In other words, it is strictly speaking a one-floor theatre with elevated steps, in contrast to a balcony type theatre where certain portions of the audience sits on an elevated portion that overhangs another portion of the seating area" (R., p. 125).

When Hollingshead disclosed to him the drive-in theatre idea of the patent-in-suit, it was "certainly" *new* to Frank (R., p. 121) and Frank "thought it was *very ingenious*" (R., p. 121) and there was nothing in Frank's experience prior to this disclosure to him by Hollingshead, which ever suggested to him such a drive-in theatre construction;—such construction never occurred to Frank. At that time Frank was quite skeptical about whether Hollingshead's drive-in theatre would work (R., p. 121) and whether or not it would be a valuable contribution to motion picture exhibition, but he has since had an opportunity to know, of his own knowledge, that it was a valuable contribution (R., p. 121).

Frank's skepticism about Hollingshead's drive-in theatre construction (when it was first brought to his attention) was whether it would be possible to properly view a motion picture from both the front and rear seats of automobiles which were located in successive rows, one in back of the other, without obstruction (R., pp. 121-122).

On cross-examination Frank testified that he was skeptical about the ability of locating the automobiles in successive rows in relation to one another and in relation to the screen, in such a way that the entire area of the screen could be conveniently and easily viewed by people sitting in the front and rear seats of all the automobiles in the various rows (R., p. 122). Hollingshead had made clear to him how this problem was to be solved, but Frank "was from Missouri and wanted to be shown" (R., pp. 122-123).

From Hollingshead's explanation to him, it was quite clear to Frank how Hollingshead intended to do it, but

Frank didn't know whether or not it would work (R., p. 123).

Thus, Blumberg, Auger and Frank, who supervised and installed the picture-projection equipment and the sound equipment at Hollingshead's first drive-in theatre at Camden in the Spring of 1933, each regarded Hollingshead's drive-in theatre construction both new and ingenious and one not suggested (or rendered obvious) by either the "stadium" type indoor theatre or by the "airdrome" type outdoor theatre, and, indeed, with all their background and experience in the motion-picture industry, they were skeptical about the mechanical operability of the whole idea until they actually saw it work (see also pp. 21-25, *infra*).

Subsequent Public Acceptance and Commercial Success of the Hollingshead Invention

Hollingshead, after his initial unsuccessful efforts to promote the commercial exploitation of his invention, interested W. W. Smith (R., p. 77), and with the backing of Smith and a few other friends he, at last, built the first drive-in theatre in Camden, in the early part of 1933 (R., p. 77).

The Camden drive-in theatre was a practical success and was well received by the public (R., p. 77) and a checking of automobile license numbers showed that in the first season 70% of the business was repeat business, namely, people who, having been there one or more times before, came back for some more (R., p. 78).

The only reason for dismantling the Camden drive-in theatre in 1937 or 1938 (R., p. 81) was "because of bad pictures" (R., p. 106), that is, the film-distributors withheld the good pictures from the Camden drive-in theatres. At Union, N. J. (R., p. 81) "The same theatre is now operating with better pictures, and successfully" (R., p. 106).

Hollingshead also went to the R. C. A. Victor Company in Camden to interest them in furnishing sound equipment, and the R. C. A. engineers to whom he first disclosed this invention "received it as very interesting"

but as shown at pages 4 to 6, *supra,* Hollingshead was met with skepticism as to the feasibility of Hollingshead's drive-in theatre structure, and he *didn't get anywhere in his efforts to get R. C. A. "to put in some sound equipment at some very small cost, or practically nothing"* and in his efforts to get R. C. A. to "go along with him on the basis that if drive-in theatres were successful, R. C. A. would then have made a contribution toward an *additional market for their own products"* (R., p. 79). Hollingshead "finally got to Mr. Nicolas, vice-president of the company (R. C. A.)" and it was only Mr. Nicolas who finally agreed to let Hollingshead have some R. C. A. sound equipment, provided only that Hollingshead build his drive-in theatre within 50 miles of Camden, so that R. C. A.'s Engineering Department could keep a close lookout over it (R., pp. 79-80).

Hollingshead's Camden drive-in theatre was opened on or about May 19, 1933, and was deemed of sufficient news value to be the subject of substantial comment over the radio (R., pp. 81-82);—the principal trade magazines of motion picture exhibition industry also having picked up and publicized Hollingshead's Camden drive-in theatre directly upon its opening (R., pp. 82-83 and Plaintiff's Exhibit 10;—R., pp. 477-483 & 82).

At about the time he opened his Camden drive-in theatre in the early part of 1933, or just shortly thereafter, Hollingshead, in his effort to promote his drive-in theatre invention, went to New England to interview motion picture exhibitors there, as prospective licensees and, on this trip met E. M. Loew, defendant's president (R., p. 80) who was "quite interested" in Hollingshead's drive-in theatre invention and come down to Camden to see the theatre and *went over the whole theatre thoroughly* (R., p. 80). This was prior to the time defendant entered into the license agreement with plaintiff (R., p. 81).

The public-acceptance of Mr. Hollingshead's drive-in theatre idea was almost instantaneous after the first drive-in theatre was actually built in Camden in 1933 although

prior to that time the best-informed people in the industry turned it down (R., p. 76).

The Hollingshead drive-in theatre was so radically new and unheard of that when the Camden drive-in theatre was in process of construction, Lowell Thomas, the noted radio commentator, included a comment of considerable length in his broadcast of May 19, 1933 concerning this Camden drive-in theatre, saying, inter alia:

> "Did you ever hear of a theatre where you could drive right into the auditorium, sit in your car, and watch the show? Neither did I until today. According to the Film Daily of New York, down in Camden, New Jersey, they have what is said to be the first drive-in theatre in the world. It covers 250,00 square feet of ground on Admiral Wilson Boulevard. It will accommodate 400 cars with, I suppose, from three to ten people squeezed into each car and all the tanks filled with Blue Sunoco, I hope. Seven rows of inclined grades, sort of sloping terraces, will enable the occupants of each car to have a direct view of the motion picture screen." (R., p. 82)

Likewise the July 1, 1933 issue of the leading trade journal in the motion-picture exhibition industry, namely, the Motion Picture Herald, in its July 1, 1933 edition, devoted 4 pages to Mr. Hollingshead's Camden drive-in theatre, characterizing it, inter alia, as "the *unique* show park in Camden where patrons witness motion-picture entertainment from their automobiles";—further saying:

> "WHAT IS doubtless the first theatre designed so that patrons may witness the performance while remaining in the automobiles in which they have come, has been opened in Camden, N. J. It is indeed a theatre *unique*, a motor age experiment which may prove the idea *sensible* enough to warrant others like it. Then on a broader scale will be determined whether the public likes such theatres merely temporarily, as a

novelty or as a happy means of 'going to the movies'" (Ptf's Exh. 10;—R., pp. 477 & 82).

In its public advertisement in the August 1, 1937 issue of the Providence Sunday Journal (Ptf's Exh. 16;—R., pp. 497 & 144) *defendant said*:

"There's nothing new under the sun . . .
"But here's **something new** under the moon!
"E. M. Loew's Drive-In Theatre
"**Solves** the Family Evening Entertainment **Problem**
. . . Sit in Your Car and Enjoy a Screen Show

"A **new** and delightful experience awaits you at the Drive-In Theatre, Rhode Island's latest **contribution** to summer evening entertainment. Simply drive in, sit in your car . . . see and hear motion pictures in a delightful outdoor atmosphere.

"The 'Movie Motorist' has **many advantages** over his fellow film fans . . . dress as you please, wear any summer clothes . . . in the privacy of your car, smoke, laugh, talk without disturbing anyone . . . no parking worries, no walking, no waiting for seats."

"E. M. Loew's Drive-In Theatre is the **outstanding innovation in the amusement world**. Its outdoor screen is the largest in the country . . . assuming perfect visibility from any location . . . its controlled directional sound reproduces with mechanical perfection.

"A Hit With the Critic . . .!
"Offers a new aspect of enjoyment for theatregoers."
"Complete approval and **immediate acceptance** by fans."
"Sound Perfect, clear and loud . . **no interference from cars.**"

In the July 18, 1937 issue of the Providence Sunday Journal (Ptf's Exh. 17;—R., pp. 499 & 147) defendant's public advertisement said:

"Announcing the opening of **new, unique,** open-air
all-weather
E. M. Loew's Drive-In Theatre
Bring the family No Parking worries
Enjoy the movies from your car"
(all emphasis ours)

In the July 21, 1937 issue of the Providence Journal (Ptf's Exh. 18;—R., pp. 501 & 147) defendant's public advertisement said:

"Enjoy the show in your car Rain or shine, open-air
E. M. Loew's Drive-In Theatre
Chat, laugh, smoke, relax
No parking worries Great for the whole family
Come as you are in any clothes"

In the July 23, 1937 issue of *The Providence Journal* (Ptf's Exh. 19;—R., pp. 503 & 147) defendant said:

"An **Innovation in the Amusement Field!**
Acclaimed ON THE WEST COAST—
Cheered IN THE N. Y. METROPOLITAN AREA—
Critics Approve *Drive-In Theatre*
OUTDOOR FILMS WIN PRAISE
Drive-In Theatre Boon to Invalids
AND NOW . . . RHODE ISLAND WELCOMES ITS OWN
DRIVE-IN THEATRE
Sit in Your Car and Enjoy a Screen Show"

In the August 15, 1937 issue of the Providence Sunday Journal (Ptf's Exh. 20;—R., pp. 505 & 147) *defendant's* public advertisement *said:*

Acclaimed by the CRITICS . . . !

"Perfect Visibility and Sound'
—Star Tribune
"Genuine Novelty . . . Spectacular Success"
—Woonsocket Call
"Immediate and Enthusiastic Approval from the Public"
—Providence Visitor

"A New Aspect of Enjoyment to Film Fans"
—Attleboro (Mass) Sun
E. M. Loew's Drive-In Theatre"

The printed programs of the Weymouth drive-in theatre* showed a profile view (R., p. 543) of the drive-in theatre of the patent-in-suit (Figure 7 at R., p. 445) *to convince the public* that they could achieve visibility notwithstanding the cars ahead and the cars going in and out, and also had the following to say about the drive-in theatre (in Ptf's Exh. 32;—R., pp. 543 & 399):

"Drive-In Theatre
New England's First
Open Air Automobile Theatre
No Parking Troubles"

"Just drive right in, stay in your car, and enjoy our shows! Your car, parked in the theatre, offers all the advantages of a private box. Any type of dress is correct at the Drive-In Theatre, and you can smoke, converse and relax within your own car without the least disturbance to your neighbors in the audience."

"**Automobiles can enter and leave at any time.** To avoid undue disturbance, leave as quickly as possible. **Incoming and outgoing cars will in no way interfere with either sound or vision.** Last, but not least,—tell your friends about this **unique** theatre and get the regular Drive-In habit yourself."

Further testimony of men skilled in the motion-picture industry, as to Invention

Blumberg's testimony shows that Hollingshead's drive-in theatre structure was (in 1930-1932) not obvious to those skilled in the art, and Blumberg's testimony is particularly significant because prior to meeting Hol-

* Built by Joseph F. Buschini, who was a one-third owner and manager of defendant's Providence drive-in theatre when it was built and for some time after its opening.

lingshead and prior to having had disclosed to him Hollingshead's drive-in theatre structure, Blumberg had had experience both with the "airdrome" type outdoor motion-picture shows* (R., pp. 523-525) and also with the so-called "stadium" type indoor motion picture houses (R., pp. 527-528) so heavily relied upon by defendant[2] as allegedly "teaching" the drive-in theatre structure in suit.

Asked whether there is any relationship apparent to him between a "stadium" type indoor theatre and Hollingshead's drive-in theatre, Blumberg said that they are "different entirely" and that you cannot compare them (R., pp. 527-528). Asked whether the two are alike, Blumberg said that they are "much different" and that "you certainly couldn't put cars in a stadium type theatre" (R., p. 527).

Long prior to the disclosure to him of the Hollingshead drive-in theatre idea, in 1932, Auger had been familiar with outdoor motion-picture performances in which people just sat on benches on open ground and watched the screen, and Auger had also been familiar with what is known as "stadium" type indoor theatres, but these things never suggested to him a drive-in theatre like that of the patent-in-suit (R., p. 64), and when, in 1932, Hollingshead disclosed to him the drive-in theatre in 1932, of the patent-in-suit, it certainly struck him as an ingenious idea (R., p. 64).

See also Frank's testimony discussed on page 6, *supra*.

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* In which people just sit on benches or seats placed on a plane piece of ground.

[2] Schlanger's theatre constructions of DX-F at R., pp. 607-627 and DX-G at R., pp. 629-647 and DX-L at R., pp. 657-9 introduced through Schlanger at R., pp. 287 & 288 & 290; Hugo Pathe's theatre construction of DX-K at R., p. 655 introduced through Schlanger at R., p. 289; Togersen's theatre construction of DX-M at R., pp. 661-4 introduced through Schlanger at R., p. 293; Fowler's theatre construction of DX-O at R., pp. 667-679 introduced through Armington at R., p. 320; Taut's theatre construction of DX-P at R., pp. 681-2 introduced through Armington at R., p. 321; and Loew's Watertown Square Theatre construction introduced through Stern at R., pp. 186-8, Breton at R., pp. 188-190, McConville at R., pp. 227-230 and DX-C at R., p. 229, and Loew at R., pp. 249 & 256-257.

To like effect is the testimony of witnesses O'Donnell, Ezell, Underwood and Fay (referred to more fully hereinbelow), each of whom has had long and varied experience in the motion-picture industry, and, indeed, even one of the defendant's organizers and half-owners and officers* testified to the same effect on his direct examination as a witness called on behalf of defendant.

Thus, O'Donnell, vice president and general manager of a company which owns and operates a chain of 168 conventional theatres, and who has been in the exhibition field since 1903 and in the motion-picture exhibition field since 1917, regarded the Hollingshead drive-in theatre novel (R., pp. 31-32) and as "a different idea of presenting motion-pictures" (R., p. 33) and while at first skeptical about the whole idea, he finally "realized that it was practical" (R., pp. 34-35), and further testified that it was very definitely an *ingenious* idea (R., p. 35).

O'Donnell also had prior experience with outdoor motion-picture exhibition, as far back as 1912 (R., p. 35), when he operated (in Newburg, N. Y.) what was then commonly called an "airdrome", where they just set benches out on a vacant lot and projected a motion-picture onto a screen in front of the benches (R., p. 35). O'Donnell also operated such "airdromes" in Texas as late as 1929, but such "airdromes" were never very successful (R., pp. 35-36).

These "airdromes" did not suggest to O'Donnell the drive-in theatre of the patent-in-suit (R., p. 36).

O'Donnell was not only familiar with, but, indeed, had operated several of the so-called "stadium" type indoor motion-picture theatres (R., pp. 36-37), upon which the defendant relied as "prior-art"[2] to invalidate the patent-in-suit. O'Donnell explained what this "stadium" type theatre is, and then further testified that such "stadium" type theatre never suggested to him the drive-in theatre construction such as is involved in this

* Peter Laudati (see p. 16-17, *infra*).

[2] See footnote 2 on foregoing page 13.

suit, and that there is no similarity whatever between the "stadium" type theatre and the drive-in theatre of the patent-in-suit (R., pp. 36-37).

O'Donnell's company (Interstate Theatre Circuit) also had experience with drive-in theatres of the patent-in-suit (R., p. 37), and O'Donnell pointed out many advantages of the drive-in theatre over the conventional indoor motion-picture theatres (R., pp. 37-39).

On cross-examination, O'Donnell testified that the structural features that impressed him as something contributed by the patent-in-suit (R., pp. 41-42) and which made it seem to him "like it was the solution to giving an open air show" (R., p. 42) were the arrangement of ramps, whereby hundreds of cars over a large area could quickly get in and out and so that each car would have clear sight lines, so that the occupants would not have to lean out of the windows, and that without these structural features of the drive-in theatre of the patent-in-suit

> "you would have to have one head out of the window here, and one head out of the window there, and you would have to do almost everything of an acrobatic nature to see the screen" (R., p. 42).

Mr. Claude C. Ezell, a member of the firm of Underwood & Ezell, owners and operators of a chain of conventional indoor motion-picture theatres, and who has been in the motion-picture business for the past 40 years, (R., pp. 46-47) testified that neither the "airdrome" type outdoor show nor the "stadium" type indoor motion-picture house ever suggested to him the drive-in theatre of the patent-in-suit (R., p. 48) and that, based upon his experience and familiarity with motion-picture theatres, it was new, in 1933, to create a drive-in theatre structure such as the patent-in-suit (R., pp. 48-49) and that such drive-in theatre construction was ingenious (R., p. 49 & 51).

On further cross-examination, Mr. Ezell reiterated (R., p. 52) that the drive-in theatre of the patent-in-suit

never occurred to him before, although he "would like very much to have thought of it", and that to him it was

> "a completely new idea of giving entertainment to people who could not ordinarily go to the theatre".

Mr. William G. Underwood, who has been in the motion-picture business since 1903, in all capacities from door-boy to theatre-operator;—as film salesman, film owner, and film-exchange manager, and who is now a theatre owner, operating a number of theatres (R., p. 55) testified that he was familiar with the "airdrome" type outdoor motion-picture show and that he owned one at Amarillo (Texas) in 1909 (R., p. 55). Mr. Underwood testified that when Mr. Hollingshead's drive-in theatre first came to his attention he

> "considered it very unique and saw great possibilities for it from an entertainment point of view" (R., pp. 55-56);

in that it gave opportunity for invalids and cripples and families with small children to see a motion-picture show (R., p. 56), and that he considered the Hollingshead drive-in theatre *ingenious* (R., p. 56).

Mr. Edward M. Fay, a motion-picture owner and operator, in Providence, Rhode Island, who has been in the theatre business for about 50 years, testified that he is familiar with drive-in theatres although he does not own or operate any drive-in theatres, and that when he first became familiar with what is now referred to as a "drive-in theatre" it was a new idea and that he regarded it as *ingenious* (R., p. 72) and that he regarded it as a *beneficial contribution* to the art of exhibition of motion-pictures (R., p. 72).

Indeed, Peter Laudati, who is the half-owner and treasurer of the defendant corporation, when asked on direct examination, as a witness called on behalf of the defendant:

"do you consider the alleged invention in the Hollingshead patent ingenious?"

replied:

"I don't know if I should call it ingenious. It is a fair idea, but I don't think it is absolutely a big success."

When again asked by defendant's counsel: "You call it a fair idea?", Mr. Laudati replied: "That is right" (R., p. 185).

Thus, the testimony of Blumberg, Auger, Frank, O'Donnell, Ezell, Underwood, Fay and Laudati (pages 12 to 16, *supra*), as well as the testimony of Kenerson (R., pp. 342-349) who has had much experience and frequent occasion to study and appraise, from an engineering and practical viewpoint, the presence or absence of inventive ingenuity and novelty in patents, is likewise to the effect that Hollingshead's drive-in theatre was both new and *inventive*.

There was therefore substantial credible evidence, that to those skilled in the art, and, indeed, to defendant's own officer and part-owner, Hollingshead's drive-in theatre was new, useful and ingenious and a valuable contribution to the art of motion-picture exhibition and public entertainment and that such drive-in theatre was not suggested by either the "stadium" type or the "balcony" type conventional indoor motion-picture house nor by the "airdrome" type outdoor motion-picture show in which people were seated on benches on flat ground.

To those skilled in the art, including the defendant, the drive-in theatre of the patent-in-suit represents something new and valuable, is further attested by Mr. Loew's building or acquisition, one after another, of 7 different drive-in theatres, 2 of them (Providence and Miami) initially under license from plaintiff and 5 others in infringement of the patent (R., p. 358).

Patent-Defense Chart

For the greater convenience of the Court, there is also attached to the end of this brief a *Chart* summarizing all the patent defenses and contentions of unpatentability or invalidity relied on, pleaded, noticed, moved or urged, and adopted, rejected or sustained or considered in respect to the Hollingshead drive-in theatre of the patent here in suit and in respect to said patent;—this Chart also showing at which stage of the various proceedings each such defense or contention was pleaded or noticed or made the basis of a motion or urged, and adopted, rejected, sustained, considered (or not relied on).

Specification of Errors

The *reasons* (1 to 9, inclusive) *for the allowance of Writ of Certiorari* are set out on pages 15 to 24, inclusive, of the *Petition*.

Summary of Argument

(corresponding to the similarly numbered Reasons Relied on for the Allowance of Writ of Certiorari, contained in the Petition for Writ of Certiorari)

1) The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in threefold conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers et al*, 130 F. 2d 745, 747-8 (CCA-9),

1-A) in that the Court of Appeals for the 1st Circuit, in the case at bar, reversed the trial court's fact-finding of invention and held the patent-in-suit invalid for lack of invention appearing on its face

(that is, without reliance upon any prior patents, publications or use of record,

and in disregard of all evidence fortifying the legal presumption of invention inherent in the granting of the patent),

whereas the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *Rogers et al, supra,* reversed the District Court's ruling (on summary judgment), which had held the Hollingshead patent in suit invalid, inter alia, for lack of invention on its face,

and

1-B) in that the Court of Appeals for the 1st Circuit, in the case at bar, held that Hollingshead's idea or *conception** of the drive-in theatre of the patent-in-suit could *not* involve the exercise of the inventive faculty (R., p. 775-6)

whereas the Court of Appeals for the 9th Circuit in *Park-In* v. *M. A. Rogers, et al, supra,* held that Hollingshead's *conception* of the drive-in theatre of the patent-in-suit *could* involve the exercise of the inventive faculty (130 F. 2d 748),

and

1-C) in that the Court of Appeals for the 1st Circuit in the case at bar, held "beside the point" (R., p. 776), that is, irrelevant and inadmissible, all the testimony and evidence introduced by plaintiff (petitioner) in support of invention in the Hollingshead patent in suit

whereas the Court of Appeals for the 9th Circuit in *Park-In* v. *M. A. Rogers et al, supra,* held that plaintiff (petitioner at bar, had the right to fortify the presumption of validity of

* As distinguished from the physical means subsequently devised by Hollingshead to embody the idea or conception.

the Hollingshead patent in suit by offering evidence of invention for consideration by the trial court and by the appellate court.

2) In the absence of clear, cogent and convincing evidence to the contrary (upon some defense pleaded or noticed) the Court of Appeals should not have held the patent invalid for lack of invention, in view of the *legal presumption attaching to the grant of Letters Patent of the United States that the subject-matter of the patent involved the exercise of the inventive faculties* (*even without regard* for the trial court's fact-finding of invention and *even without regard* for the evidence, introduced by plaintiff, fortifying the legal presumption of invention inherent in the granting of the patent and supporting the trial-court's fact-finding of invention).

3) Whether or not it involved the exercise of the inventive faculties to have conceived and to have brought into being the drive-in theatre defined by the claims of the patent in suit, was a fact-question on which *the findings of fact of the trial court should not have been set aside by the appellate court in the complete absence of any prior patent or publication showing or suggesting any* drive-in theatre and in the face of substantial credible evidence supporting the trial court's fact-finding of invention.

4) *Patentability can be based,* at least in part, *upon the ingeniousness of the new concept or idea,* and is not limited solely to the ingenuity needed in making a device which is a physical embodiment of the new concept or idea (once the concept or idea has been supplied by the patentee).

5) Evidence of the initial skepticism of those skilled in the motion picture industry, of the subsequent recognition and acceptance of the invention, in the field, of the outstanding commercial success and great value of the

drive-in theatre of the patent-in-suit, and the testimony of those skilled in the motion picture industry that the drive-in theatre of the patent-in-suit was ingenious, all constituted *evidence of invention supporting the trial court's fact-finding of invention,* which is *not to be disregarded.*

6) The *length of time intervening conception and reduction to practice, is not determinative of whether the subject matter did or did not involve the exercise of the inventive faculties,* as patentability may be, at least in part, in the *flash* of creative genius as distinguished from the subsequent (short or long) effort required to make a physical embodiment of the inventive concept or idea, and even if the length of time is one of the elements which may be considered, then the time-interval (between conception and reduction to practice) in the case at bar was not so short as to negative invention.

7) *It is never incumbent upon a plaintiff-patentee to show any prior unsuccessful efforts of others,* and this is applicable, a fortiori, in the case at bar, since defendant's affirmative pleading (in its Answer) that others prior to the patentee had diligently tried to adopt and perfect the drive-in theatre of the patent in suit, constituted such *judicial admission* as to obviate the necessity of proof.

8) Where, as here, the claimed invention covers a combination of elements, the *test of patentability is* primarily *the novelty and ingeniousness of the claimed combination* and not the novelty of the elements per se.

9) By its reversing *decision,* the Court of Appeals for the First Circuit *deprived plaintiff of its property without due process, because* the Court's reversing decision

a) is based upon defenses not pleaded, noticed, urged or considered in the trial court, and

b) is based upon defenses or grounds not assigned or specified in by defendant-appellant's Statement of Points under Rule 75-d of the Federal Rules of Civil Procedure.

Argument

ARGUMENT—POINT 1: The reversing decision of the Court of Appeals for the 1st Circuit in the case at bar is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter.

Summary of Point 1-A: The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers et al*, 130 F. 2d 745, 747-8 (CCA-9),

> in that the Court of Appeals for the 1st Circuit, in the case at bar, reversed the trial court's fact-finding of invention and held the patent-in-suit invalid for lack of invention on its face
>
> > (that is, without reliance upon any prior patents, publications or use of record, and in disregard of all evidence fortifying the legal presumption of invention inherent in the granting of the patent),
>
> whereas the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *Rogers et al, supra,* reversed the District Court's ruling (on summary judgment), which had held the Hollingshead patent in suit invalid, inter alia, for lack of invention on its face.

Argument of Point 1-A

In the case at bar, the Court of Appeals for the First Circuit set aside or overruled the trial Court's fact-finding of invention and held that the Hollingshead patent-in-suit is "invalid for lack of invention" (R., p. 772).

However, nowhere in its Opinion (R., p. 773-780) does the Court refer to a *single* prior patent or publication or use (of which a number were cited and relied on

by defendant and considered by the trial court, as shown in the *patent-defense Chart*) so that, necessarily, the decision of the Court of Appeals for the First Circuit in the case at bar, amounts to a holding that the Hollingshead patent-in-suit is invalid on its face (and without regard to any specific prior-art).

The case of *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra,* involved an action brought by plaintiff (petitioner at bar) for infringement of the same Hollingshead patent 1,909,537 here in suit. Defendant *Rogers* had filed a motion* for summary judgment wherein he contended:

> "That the patent sued on by plaintiff herein is invalid on its face for
>
> (*a*) want of patentable subject matter
> (*b*) want of patentable combination (aggregagation)
> (*c*) *want of invention*
> (*d*) undue multiplicity of claims."

In granting the motion for summary judgment, the District Court made the following rulings with respect to *ground (c):*

> "that the same (that is the drive-in theatre of the patent) does not constitute a patentable improvement within the meaning of the provisions of Title 35 U. S. C. A., Section 31"[2]

and

> "3. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15 is invalid in law because *the subject matter* thereof *does not constitute* a patentable *invention* or improvement within the meaning of 35 U. S. C. A. Section 31."[3]

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* Reproduced in *Appendix B* hereto.

[2] See the District Court's *Memorandum of Conclusions,* reproduced as *Appendix C* hereto, lines 12 to 14.

[3] See the District Court's *Conclusions of Law* reproduced as *Appendix D* hereto, page 1d, lines 8 to 12.

Plaintiff (petitioner at bar) took an appeal from this summary judgment and assigned as one of its reasons for appeal, the District Court's above-quoted holding of want of invention.*

The Court of Appeals for the Ninth Circuit, in its decision referred to above, reversed the action of the District Court, stating, inter alia:

(footnotes supplied)

> "The issuance of the patent is presumptive evidence of invention and patentability. The presumption is so strong that in the event of a reasonable doubt as to patentability or invention that doubt must be resolved in favor of the validity of the patent. *Mumm* v. *Jacob E. Decker & Sons,* 301 U.S. 168, 171, 57 S. Ct. 675, 81 L. Ed. 983. See also *Frank* v. *Western Electric Co.,* 2 Cir., 24 F. 2d 642, 645. The lower court confines[2] its conclusions to the proposition that the theatre was not a patentable subject and, consequently, did not consider[3] the questions of invention, utility, etc. Upon the latter issues the patentee has the right to fortify *the presumption of validity of the patent by proof of matters tending to show that the conception of the patentee involved invention and utility.*
>
> "The appellee suggests that if the decree of the lower court can be sustained on any ground[4] going to the insufficiency of the complaint the judgment should be affirmed. This position cannot be sustained because neither the court below nor this court had the advantage of such additional light[3] as is permissible in a patent case upon the questions of invention,

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* See the *Concise Statement* under Rule 19(6), reproduced as *Appendix E* hereto, *Point IV,* page 1e, lines 16 to 21.

[2] See the above quotations from the Memorandum of Conclusions and from the Conclusions of Law of the District Court in *Park-In* v. *Rogers.*

[3] i. e., *on evidence* tending to fortify the legal presumptions of invention, priority, utility, etc., inherent in the grant of the Hollingshead patent.

[4] i e., "want of invention on the face of the patent", which was "ground c" of the Motion for Summary Judgment in *Park-In* v. *Rogers* (*Appendix B,* page 1b, lines 13 & 16).

priority, etc. For that reason we ~~reserve~~ reverse the decision without doing more than to hold that the structure in question is within a patentable classification. We return the case to the district court for a trial of the case and a decision not inconsistent with the above determination of this court" (130 F. 2d 747-8).

It is clear from the above-quoted statements *and from its reversal of the District Court's summary judgment which had been based, inter alia, upon the (independent) ground of "want of invention on the face of the patent"*, that the Court of Appeals for the Ninth Circuit also explicitly directed the District Court to receive and consider evidence of invention, priority, utility, etc. (which plaintiff has the right to introduce, to fortify the presumption of validity inherent in the granting of the patent) and precluded the District Court from holding the patent invalid on the ground of "want of invention on its face", relied on by defendant *Rogers* on his Motion for Summary Judgment* (*Appendix B*, hereto) and sustained by that District Court in its Memorandum (*Appendix C*) and in its Conclusions of Law (*Appendix D*).

In other words, the decision of the Court of Appeals for the Ninth Circuit clearly was to the effect that the Hollingshead patent-in-suit *cannot* be held invalid *on its face* for "want of invention" or on any other ground.

It is apparent, therefore, that the decision of the Court of Appeals for the First Circuit, in the case at bar, is in *direct conflict* with the decision of the Court of Appeals for the Ninth Circuit in *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra*, insofar as the 1st Circuit holds the patent-in-suit invalid on its face (namely without reliance upon any "prior-art" of record and in disregard[2] of all evidence fortifying the legal presumption of invention inherent in the granting of the patent).

* This same ground was also relied on by defendant at bar on its Motion for Summary Judgment (R., p. 13) which it *withdrew* at the hearing thereon (R., pp. 16-17) and thereafter *never* re-asserted. The Court of Appeals for the 1st Circuit adopted this same ground of invalidity as the basis of its reversal of the trial court's fact-finding of invention.

[2] R., p. 776, line 10.

Summary of Point 1-B: The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers*, 130 F. 2d 745, 748 (CCA-9),

> in that the court of Appeals for the 1st Circuit, in the case at bar, held that Hollingshead's idea or conception* of the drive-in theatre of the patent-in-suit could not involve the exercise of the inventive faculty (R., p. 775-6)
>
> whereas the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra*, held that Hollingshead's *conception** could involve the exercise of the inventive faculty (130 F. 2d 748).

Argument of Point 1-B

In the case at bar, the Court of Appeals for the 1st Circuit based its decision, in large part, upon the theory that Hollingshead's idea or conception of the drive-in theatre of the patent-in-suit could *not* be considered in deciding the question of invention and that, instead, Hollingshead's patent in suit could be held valid only if invention were found in the physical means subsequently devised by Hollingshead for embodying his original idea or conception;—as evidenced by the following statements taken from the Court's Opinion:

> "The basic question in this case, as we see it, is whether, given the idea or conception of an open-air drive-in theatre, an exercise of the inventive faculty was required to devise the means for carrying it out." (R., p. 775, lines 18-21)
>
> . . . . . .

* As distinguished from the physical means subsequently devised by Hollingshead to embody the idea or conception.

"For we are not here called upon to deal with the novelty, usefulness or commercial success of the outdoor drive-in theatre as an idea, or as a system for transacting business, but with 'the mechanical means or instrumentalities' . . . 'by which it [the idea or system] may be made practically useful' . . . to which means we now turn our attention." (R., p. 776, lines 20-27)

The Court of Appeals for the 9th Circuit in *Park-in Theatres, Inc.* v. *M. A. Rogers et al, supra,* held, on the other hand, that invention *could* be shown to reside in Hollingshead's mental *concept* of the drive-in theatre of the patent-in-suit;—as evidenced by the following statement from that Court's Opinion:

"Upon the latter issues,* the patentee has the *right* to fortify the presumption of validity of the patent[2] by proof of matters tending to show that the *conception* of the patentee *involved invention* and utility."

Here is another clear conflict between the Court of Appeal for the 1st Circuit and for the 9th Circuit on the same matter, namely Hollingshead patent 1,909,537, here in suit.

As will be brought out hereinbelow under *Argument Point 4*, the great weight of authority, as shown by the decisions of this Court and of other Federal Courts, supports the view taken by the Court of Appeals for the 9th Circuit (namely that invention *can* reside, at least in part, in the mental concept or idea forming the basis of a machine, manufacture etc. covered by a patent) rather than the view taken by the Court of Appeals for the 1st Circuit, in the case at bar.

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* Namely, the issues or "questions of invention, utility, etc."

[2] Namely, Hollingshead patent 1,909,537 here in suit.

Summary of Point 1-C: The reversing decision of the Court of Appeals for the 1st Circuit, in the case at bar, is in conflict with the decision of the Court of Appeals for the 9th Circuit on the same matter (namely, the Hollingshead patent here in suit) in the case of *Park-In Theatres, Inc.* v. *M. A. Rogers*, 130 F. 2d 745, 748 (CCA-9),

> in that the Court of Appeals for the 1st Circuit in the case at bar, held "beside the point" (R., p. 776), that is, irrelevant and inadmissible, all the testimony and evidence introduced by plaintiff (petitioner) in support of invention in the Hollingshead patent in suit
>
> whereas the Court of Appeals for the 9th Circuit in *Park-In* v. *M. A. Rogers et al, supra*, held that plaintiff (petitioner at bar) had the right to fortify the presumption of validity of the Hollingshead patent in suit by offering evidence of invention for consideration by the trial court and by the appellate court.

Argument of Point 1-C

In the case at bar, the Court of Appeals for the 1st Circuit held to be "beside the point" (that is, irrelevant and inadmissible) the expert testimony and other evidence presented on behalf of plaintiff in the District Court (upon which the District Court's fact-findings of invention were based) fortifying the presumption of invention inherent in the granting of the Hollingshead patent in suit;—the Court stating:

> "Application of this principle renders *beside the point* the District Court's finding, based upon evidence given by motion picture exhibitors testifying as experts 'that the drive-in theatre is "ingenious", "practical", "a good business investment", "a completely new idea of giving entertainment to people who could not ordinarily go to the theatre", and "is

> a beneficial contribution to the art of exhibition of motion pictures'' '. And similarly it renders beside the point the further finding, based upon the defendant's advertising, that its theatre met with '''immediate and enthusiastic approval from the public'' '.'' (R., p. 776, lines 10-20)

It should be kept in mind that the testimony and other evidence mentioned in the above-quoted statement from the appellate Opinion, all referred to the drive-in theatre construction of Hollingshead's patent in suit, and did *not* refer to the attractiveness, commercial success, etc. of an abstract idea.

None of the many witnesses (including defendant's officer Laudati), nor defendant's counsel (in questioning witnesses or in argument or in brief in the trial court) ever intimated that the testimony which they were giving or eliciting (or that the exhibits) bearing upon the initial skepticism of the motion-picture industry and the subsequent acceptance and commercial success and bearing upon ingenuity, related to anything other than the drive-in theatre construction of the patent-in-suit.

The Court of Appeals for the 9th Circuit in *Park-In Theatres* v. *M. A. Rogers et al, supra,* held, on the other hand, that

> ''Upon the latter issues* the patentee has a *right* to fortify the presumption of validity of the patent by *proof of matters tending to show that the conception* of the patentee *involved invention* and utility
>
> . . . . . .
>
> ''neither the court below nor this court had the advantage of such *additional light* as is permissible in a patent case *upon the questions of invention,* priority, etc.'' (130 F. 2d 748)

Therefore, there is a further direct conflict between the Court of Appeals for the 1st Circuit in the case at

* Namely, the issues or "questions of invention, utility, etc."

bar and the Court of Appeals for the 9th Circuit, on the same matter, namely the Hollingshead patent here in suit, on the question of whether the legal *presumption of invention* inherent in the granting of the Hollingshead patent can or cannot be fortified by evidence tending to show novelty, commercial success and public acceptance, adoption by the industry, and all the other usual criteria which are ordinarily weighed in the determination of whether or not the subject matter of a patent constitutes a true patentable invention.

As pointed out hereinbelow under *Argument Point 5*, the great weight of authority, as evidenced by the decisions of this Court and of other Federal courts, supports the view of the 9th Circuit and *not* that of the 1st Circuit in the case at bar, and the great weight authority is that such evidence *is* admissible and should be considered by the trial court in making its fact-finding on the question of invention.

Conclusion on Argument-Point 1

It is submitted, therefore, that the decision of the Court of Appeals for the 1st Circuit in the case at bar is in such conflict with the decision of the Court of Appeals for the 9th Circuit in *Park-In Theatres, Inc.* v. *M. A. Rogers et al, supra*, on the same matter (namely the Hollingshead patent 1,909,537 here in suit) on each of the *three* points (A, B & C) above set forth, as justifies the exercise of this Court's discretion in granting a review on writ of certiorari under the provisions of Section 5(b) of Rule 38 of the Rules of this Court.

ARGUMENT OF POINT 2: The legal presumption attaches to the grant of Letters Patent of the United States, that the subject matter thereof involved the exercise of the inventive faculties.

Summary: In the absence of clear, cogent and convincing evidence to the contrary (upon some defense pleaded or

noticed), the Court of Appeals should not have held that patent invalid for lack of invention, in view of the *legal presumption attaching to the grant of Letters Patent of the United States that the subject-matter of the patent involved in the exercise of the inventive faculties (even without regard* for the trial Court's fact-finding of invention and even *without regard* for the evidence, introduced by plaintiff, fortifying the legal presumption of invention inherent in the granting of the patent and supporting the trial court's fact-finding of invention).

It is submitted that the decision of the Court of Appeals for the First Circuit, with respect to which certiorari is here sought, was clearly in error in holding the patent-in-suit invalid for lack of invention on its face (i. e. without reliance upon any of the prior patents and publications and alleged prior-use pleaded and introduced in evidence) in view of the *presumption inherent in the grant of United States Letters Patent that the subject matter of the patent involved the exercise of the inventive faculties* and is patentable, and, in so holding, the Court of Appeals has so far departed from the usual and accepted course of judicial proceedings as to call for the exercise of this Court's power of supervision.

It is further submitted that where, as here, this *presumption of validity* is strengthened by a *fact-finding* of the trial Court to the effect that the patent-in-suit involved invention, is valid and represents a patentable advance over the "prior-art" relied on, it constitutes reversible error and a departure from the usual and accepted course of judicial proceedings, for the Court of Appeals to hold the patent invalid for want of invention without reliance on any of the prior-art of record and in disregard* of all evidence supporting the trial court's fact-finding of invention, and in the complete absence of any *evidence of record* to support the conclusion of the Court of Appeals.

* Opinion at R., p. 776, lines 10 to 20.

As stated by this Court in an Opinion written by the late Mr. Chief Justice Hughes, in the leading case of *Mumm* v. *Decker,* 301 U.S. 168, 171 (81 L. Ed. 983, 985):

> "In a suit for infringement of a patent it is not a part of the plaintiff's case to negative prior publication or prior use or the other matters to which Rev. Stat. §§ 4886 and 4887 refer. These are matters of affirmative defense. As this Court said in Cantrell *v.* Wallick, 117 U.S. 689, 695, 696, 29 L. Ed. 1017, 1019, 6 S. Ct. 970: 'For the grant of letters patent is prima facie evidence that the patentee is the first inventor of the device described in the letters patent and of its novelty. Smith *v.* Goodyear Dental Vulcanite Co., 93 U.S. 486, 23 L. Ed. 952; Lehnbeuter *v.* Holthaus, 105 U.S. 94, 26 L. Ed. 939.' The issue of the patent is enough to show, until the contrary appears, that all the conditions under which a discovery is patentable in accordance with the statutes have been met. Hence, the burden of proving want of novelty is upon him avers it. Walker, Patents, §116. Not only is the burden to make good this defense upon the party setting it up, but this burden is a heavy one, as it has been held that 'every reasonable doubt should be resolved against him'."

To like effect are the following decision of this Court:

Cantrell v. *Wallick,* 117 U.S. 689, 690-6; 29 L. Ed. 1017, 1019;

Smith v. *Goodyear Dental Vulcanite Co.,* 93 U.S. 486; 23 L. Ed. 952, 955;

Lehnbeuter v. *Holthaus,* 105 U.S. 94; 26 L. Ed. 939, 940;

Coffin v. *Ogden,* 85 U.S. 120; 21 L. Ed. 821, 823;

Washburn & Moen Mfg. Co. v. *Beat 'Em All Barbed Wire Co.,* 143 U.S. 275; 36 L. Ed. 154, 158-9;

Adamson v. *Gilliland,* 242 U.S. 350, 353; 61 L. Ed. 356, 357-8.

In the case of *Park-In Theatres, Inc.* v. *Rogers,* 130 F. 2d 745, 747 (CCA-9), the Court of Appeals for the Ninth Circuit made a similar ruling with respect to the matter here involved (namely patent 1,909,537 here in suit) when it stated:

> "The issuance of the patent is presumptive evidence of invention and patentability. The presumption is so strong that in the event of a reasonable doubt as to patentability or invention that doubt must be resolved in favor of the validity of the patent." (Citing this Court's decision in *Mumm* v. *Decker, supra.*)

Other Courts of Appeal have applied this rule in the following cases:

> *Lincoln Stores* v. *Nashua Mfg. Co.,* 157 F. 2d 154, 163 (CCA-1); certiorari denied 329 U.S. 811;
> *Bianchi* v. *Barili,* 168 F. 2d 793, 795 (CCA-9);
> *General Motors Corp.* v. *Kesling,* 164 F. 2d 823, 827 (CCA-8), certiorari denied 333 U. S. 855;
> *National Slug Rejectors* v. *A. B. T. Mfg. Corp.,* 164 F. 2d 333, 338-9 (CCA-7), certiorari denied 333 U.S. 832.

The opinion of the Court of Appeals for the First Circuit, in the case at bar, completely ignored the presumption of validity inherent in the grant of the patent in suit and held that the District Court's fact-finding of invention and all evidence supporting such fact-finding were "beside the point" (R., p. 776, line 10).

The Opinion posed as the "basic question in this case . . . whether, given the idea or conception of an open-air drive-in theatre, an exercise of the inventive faculty was required to devise the means for carrying it out" (R., p. 775).

In answering this question in the negative, the Court of Appeals did not cite a single one of the "prior-art" references pleaded, noticed and introduced in evidence and, instead, merely concluded that there was "nothing

inventive" in *separately* devising each of the individual elements called for by the claims (R., pp. 776-9) which define a *combination** of these elements.

Thus, it is clear that the Court of Appeals itself attempted to act as the trier of the facts and that its conclusion of non-invention was based solely on its *own* opinion, in complete disregard of the fact-findings of the trial Court and of all evidence supporting such fact-findings as well as in disregard of the *presumption inherent in the granting of the patent in suit that the drive-in theatre defined by the claims of the patent in suit involved the exercise of the inventive faculties.*

If the decision of the Court of Appeals for the First Circuit in the case at bar is sound, then an infringer is no longer under any obligation to establish invalidity as an affirmative defense (by evidence sufficiently clear and convincing to overcome the presumption of validity inherent in the grant of a United States patent) and the principles well stated by this Court in *Mumm* v. *Decker*, supra, are no longer binding upon District Courts or Courts of Appeal, in their conduct or consideration of patent cases.

The decision, in respect to which certiorari is here sought, is therefore unalterably in conflict with the principles laid down in the cases discussed above and, we submit, represents a clear case of reversible error and so far departs from the usual and accepted course of judicial proceedings, to call for the exercise of this Court's power of supervision.

ARGUMENT OF POINT 3: Invention is a question of fact on which the trial court's fact-findings should not be disturbed on appeal.

Summary: Whether or not it involved the exercise of the inventive faculties to have conceived and to have brought into being the drive-in theatre defined by the claims of the patent-in-suit, was a fact-question on which the findings

* See *Argument-Point 8*, hereinbelow, on the question of whether invention can reside in a new combination of old elements.

of fact of the trial Court should not be set aside by an appellate court (especially in the complete absence of any prior patent or publication showing or suggesting the invention of the patent-in-suit).

Rule 52-a of the Federal Rules of Civil Procedure provide as follows:

"Rule 52. Findings by the Court.

(a) Effect. In all actions tried upon the facts without a jury . . ., the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate judgment . . . Findings of fact *shall not* be set aside unless clearly erroneous, and due regard *shall* be given to the opportunity of the trial court to judge of the credibility of the witnesses."

As pointed out hereinabove, the decision of the Court of Appeals for the First Circuit, in the case at bar, held the patent-in-suit invalid solely on the Court's own personal opinion that the various elements making up the claims of the patent, *separately,* did not involve the exercise of the inventive faculty, without regard for any of the prior-art cited in the Answer and in utter disregard (R., p. 776) of the District Court's fact-findings (based upon substantial evidence) that the drive-in theatre defined by the claims of the patent-in-suit did involve the exercise of the inventive faculties.

It is submitted that the Court of Appeals' action constituted reversible error in view of the well-settled principle that the findings of fact of the trial court (based upon its personal and first-hand knowledge of the testimony and other evidence adduced at the trial and its opportunity to judge the credibility of the witnesses) should not be set aside by an appellate court in the absence of clear and unmistakable error.

Thus, in *United States* v. *Esnault-Pelterie,* 303 U.S. 26, 29-31, 82 L. Ed. 625, 628-9, this Court made the following pertinent statements (which, though referring to fact-findings made by the Court of Claims, are equally

applicable to fact-findings made in a patent-infringement suit in a District Court):

> "In a patent case . . . the questions of validity and infringement are questions of fact. We have said that, for the purposes of our review in such a case, the findings . . . 'are to be treated like the verdict of a jury, and we are not at liberty to refer to the evidence, anymore than to the opinion, for the purpose of eking out, controlling, or modifying their scope.' (Citing cases.)
>
> . . . . . .
>
> "We should not be justified in taking up the patents set forth in the findings and, in the absence of the explanatory and construing testimony of the expert witnesses with respect to the pertinent fact situations, in attempting to pass upon the various questions, whether of a scientific nature or otherwise, that are involved and upon such a necessarily limited consideration in overruling the conclusions of fact reached by the Court of Claims upon the entire record."

In its most recent decision, this Court has reaffirmed this principle, in *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U.S. 271 (93 L. Ed. 492, 496), holding:

> "A court of law such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. (Citing cases.)"

See also to like effect:

Goodyear Tire & Rubber Co. v. *Ray-O-Vac Co.*, 321 U.S. 275, 278;

Williams Mfg. Co. v. *United Shoe Machinery Corp.*, 316 U.S. 364, 367; 86 L. Ed. 1637, 1641;

Thomson Spot Welder Co. v. *Ford Motor Co.*, 265 U.S. 445, 446; 68 L. Ed. 1098, 1100.

The Court of Appeals for the First Circuit has itself, in previous cases, followed this principle. See *Lincoln Stores* v. *Nashua Mfg. Co.*, 157 F. 2d 154, 163 (CCA-1), certiorari denied 329 U.S. 811; *B. F. Sturtevant Co.* v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 906 (CCA-1); *National Biscuit Co.* v. *Crown Baking Co.*, 105 F. 2d 422 (CCA-1).

The principle has also been applied in decisions of the Courts of Appeal for other Circuits. See *Faulkner* v. *Gibbs*, 170 F. 2d 34, 37 (CA-9); *Strong-Scott Mfg. Co.* v. *Weller*, 112 F. 2d 389, 395 (CCA-8); *Cusano* v. *Kotler*, 159 F. 2d 159, 160 (CCA-3).

It is submitted, therefore, that the Court of Appeals' action, in the case at bar, is clearly in conflict with the applicable decisions of this Court and departs from the accepted and usual course of judicial proceedings (as evidenced by the decisions of this Court and of the Courts of Appeal for the First and other Circuits) so as to call for an exercise of this Court's power of supervision.

ARGUMENT OF POINT 4:

Patentable Invention in the Concept.

Summary: Patentability can be based, at least in part, upon the ingeniousness of the new concept or idea, and is not limited solely to the ingenuity needed in making a device which is a physical embodiment of the new concept or idea (once the concept or idea has been supplied by the patentee).

The opinion of the Court of Appeals, in the case at bar, erroneously ruled out the possibility of invention residing in the patentee's novel idea or concept of a drive-in theatre and held that patentability could be based *only* upon the novelty of the individual elements making up the claimed construction constituting a physical embodiment of the idea or concept (R., pp. 775-6). In other words, the Court of Appeals held that the ingenuity or

creative thought or mental flash or concept whereby the idea of a practical outdoor drive-in theatre was first born to Hollingshead must be completely ignored and disregarded in determining whether the drive-in theatre of the patent in suit involved the exercise of the inventive faculties and that, instead, it must appear that the individual elements of the physical embodiment of Hollingshead's new concept or idea (as included in the *combination* claimed in the patent in suit) must themselves *separately* show patentable novelty over and above some hypothetical structure which might have been developed by someone else had such other person (instead of Hollingshead) had the original thought or creative flash or concept of a practical drive-in theatre.

Petitioner respectfully submits that the reasoning of the Court of Appeals is clearly at variance with the decisions of this Court and of other Courts, and that it is well settled that invention can reside, at least in part, in the mental concept or idea whereby the invention was born.

Thus, as stated by this Court in *Smith* v. *Nichols*, 88 U.S. 112 (22 L. Ed. 566, 567):

> "A patentable invention is a mental result. It must be new and shown to be of practical utility. Everything within the domain of the *conception* belongs to him who conceived it. The machine, process or product is but its material reflex and embodiment."

And in *Hobbs* v. *Beach*, 180 U.S. 383, 393 (45 L. Ed. 586, 592), this Court again spoke of the

> "invention consisting rather in the *idea* that such change could be made than in making the necessary mechanical alterations."

The decisions of other United States Courts are to like effect.

Thus, in *Sturtevant* v. *Massachusetts Hair & Felt Co.*, 122 F. 2d 900, 907 (CCA-1), the Court of Appeals for the

First Circuit relied on the above-quoted statement from this Court's decision in *Smith* v. *Nichols, supra.*

In *Rosemary Mfg. Co.* v. *Halifax Cotton Mills,* 257 Fed. 321, 322 (CCA-4), the Court of Appeals stated the principle as follows:

> "In many inventions there are two distinct steps: First, the conception of the general result wished for; second, the discovery of a way of obtaining it. In a large majority of cases, perhaps, the first may be obvious to every one interested in a particular art, and it is the second which calls for the exercise of inventive genius. But that is not always so. It may well be that two or more machines, appliances, or tools are old and well known. Some day it dawns on some one that, if they are combined, new and useful results will be obtained. It may be that, so far as the advantages of the combination are understood, the means of bringing it about are within the capacity of any fairly skilled mechanic. In a third class of cases inventive genius may be required both in perceiving the combination that is desirable and in finding out a practical way of making it."

In the case of *In re Earle,* 102 F. 2d 232, 235 (CCPA) the Court, after citing the above-quoted statement from the *Rosemary Mfg. Co.* case, went on to say:

> "So here a part of the inventive concept was the idea of rendering visible at a distance the operative condition of a lightning arrester, and when a glass housing was utilized for that purpose the invention became complete, and it is immaterial that the use of glass to complete the invention would be obvious to one who had formed such original concept."

Pertinent also is the following quotation from *In re Holt,* 162 F. 2d 472, 475 (CCPA):

> "The rule has been so often stated and is so well understood as to call for no citation of authorities that the assembling into a new article of a number of good features of the prior art may involve invention and be of such utility and produce such unexpected results as to be patentable. The *conception* of a structure of that character may be the invention, even though the assembling of it into a united structure would involve little more than mechanical skill after such conception. (Citing cases.)"

In *Gillman* v. *Stern,* 114 F. 2d 28, 30 (CCA-2), Judge Learned Hand pointed out that

> "Constitutionally only 'discoveries' can be patented at all, and the ingenuity needed for the new *conception,* not the amount of physical readjustment, is the test of a valuable 'discovery' " (citing cases).

In the recent case of *Gelardin* v. *Revlon Products Corp.,* 164 F. 2d 910, 911 (CCA-2), Judge Hand again gave recognition to the importance of the mental concept in determining invention, stating:

> "Invention is the act of putting together elements—*all usually old*—which gives them an added value; and the *combination* must be one for which exceptional *imaginative talent* is necessary."

In *Seymour* v. *Ford Motor Co.,* 44 F. 2d 306, 309 (CCA-6), the Court again emphasized that

> "the inventive act consists of the *conception of the idea* and of its reduction to practice, . . ."

In *Pyrene Mfg. Co.* v. *Boyce,* 292 Fed. 480, 481 (CCA-3), certiorari denied 263 U.S. 723, the Court defined patentable invention as follows:

> "Invention is a *concept;* a thing evolved from the mind."

The importance of the mental concept or idea in a patentable invention was recognized by this Court in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84, 90, 91,; 86 L. Ed. 58, 62, 32, wherein the Court pointed out that:

> "Under the statute (35 USCA § 31) the device must not only be 'new and useful,' it must also be 'invention or discovery'.
>
> . . . . . .
>
> That is to say the new device, however useful it may be, must reveal the *flash* of creative genius. . . ."

From the last-quoted statement, it is clear that this Court considers the *mental concept or idea* an important (if not, indeed, the most important) factor in determining whether a patentable invention has been made.

Obviously, the term "flash", with its connotation of suddenness, refers to the *mental concept or idea* forming the basis of the invention and *not* the subsequent physical operations whereby the idea is embodied in physical form.

The decisions cited by the Court of Appeals (R., pp. 775-6) in the case at bar do not in fact support the Court's reasoning on this point.

Thus, in the early case of *Rubber Tip Pencil Co.* v. *Howard*, 87 U.S. (20 Wall) 498 (22 L. Ed. 410, 413-14), this Court held invalid a patent which claimed "as a new article of manufacture, an elastic erasive pencil head, made substantially as in the manner described." In other words, the patent did not claim the *combination* of a rubber tip and a pencil but, instead, attempted to cover the rubber tip, per se, as an article of manufacture.

The specification of the patent was extremely indefinite as to the shape or form or other structural features which the tip should have. The Court held that "The prominent idea in the mind of the inventor clearly was the form of the attachment, not of the head." The Court concluded that the claim (covering the rubber tip, per se) was invalid because it attempted to monopolize a

piece of rubber with a hole in it. The Court correctly concluded that this could not constitute a patentable invention because the resilient characteristics of rubber were well known and it could not possibly amount to inventive genius to provide a rubber tip with a slightly undersize hole into which the end of a pencil could be forced.

At the very end of its opinion in the *Rubber Tip Pencil Co.* case, supra, the Court made the statement (relied on so heavily by the Court of Appeals in the case at bar) that:

> "An idea of itself is not patentable, but a new device by which it may be made practical and useful is. The idea of this patentee was a good one, but his device to give it effect, though useful, was not new."

It would appear that all that this Court meant by the above-quoted statement was that an old article of manufacture cannot be withdrawn from the public domain by a subsequent realization that it may have a new use.

On this point, it should be kept in mind that the Hollingshead patent here in suit does *not* cover any single element, per se, as a separate article of manufacture, but, instead, covers a *combination* of different elements and, as will be brought out hereinbelow under *Argument-Point 8*, the test of patentability is different in the case of *combination* claims.

If the patent in suit sought to cover nothing more than the idea of an outdoor motion picture theatre (such as would result from the removal or omission of the walls and roof structure of a conventional indoor theatre house) the *Rubber Tip Pencil Co.* case, *supra*, might, perhaps, be applicable to some extent.

However, the inventive concept or thought underlying the patent in suit was the creative flash of realization that motion pictures could be made available to motorists without their having to leave their automobiles, by providing an outdoor drive-in theatre wherein the automobiles are driven onto tilted car-aiming ramps and adjustably

aimed at the screen and arranged in succesive arcs, separated by depressed driveways, whereby the motion picture screen would be visible to all the occupants of all the hundreds of automobiles, through the limited area of the wind-shield.

This is a far cry from the piece of rubber containing a hole which was held not to constitute a patentable invention in the *Rubber Tip Pencil Co. Case, supra*, and the statement as to unpatentability of ideas per se made in the latter case was not intended to apply to factual situations like the one at bar.

The Court of Appeals in the case at bar also relied on this Court's decision in the case of *Miller* v. *Eagle Mfg. Co.*, 151 U. S. 186, 201 (38 L. Ed. 121, 128-9), which followed a few years after and relied on the *Rubber Tip Pencil Co.* case, *supra*, and in which case (*Miller* v. *Eagle*) the Court held that the later of the two patents there in suit was anticipated by the earlier patent, even though both were granted to the same inventor, holding

> "The patent of 1879 thus embraces both the lifting and the depressing effects or operations of the spring device, while that of 1881 seeks to cover only the increased lifting effect of the same device. The first patent clearly includes the second. No subsequent distinction can be drawn between the two, which have the same element in combination and the same spring arrangement and adjustment to accomplish precisely the same lifting effect, increasing as the beams are raised from their operative positions. The matter sought to be covered by the second patent is inseparably involved in the matter embraced in the former patent, and this, under the authorities, renders the second patent void."

In other words, in the *Miller* v. *Eagle* case, the patentee had, after his 1879 patent had been granted, found that in the identical structure of the 1879 patent, the lifting spring acted with increasing force on the beam

of the cultivator and applied for and obtained his second (1881) patent based solely upon his belated realization of this mode of operation of the earlier-patented machine.

In making the statement quoted by the Court of Appeals in the case at bar (R., p. 775) to the effect that the mechanical means (and not the result sought to be accomplished) constitutes patentable invention, the Court, in the *Miller* v. *Eagle* case, *supra*, was again simply restating the well known principle that a unitary machine found fully assembled in a prior patent (whether the prior patent was granted to the same inventor or to a different inventor) cannot be re-patented simply on the basis of a belatedly discovered difference in mode of operation.

When this is kept in mind, it is clear that the statement relied on by the Court of Appeals, in the case at bar, has no applicability whatever to the patent here in suit.

In *Knapp* v. *Morss*, 150 U.S. 221, 227-8 (37 L. Ed. 1059, 1062), relied upon by the Court of Appeals, in the case at bar, this Court held that a patent which disclosed a dress-form but which claimed broadly such structural features as a standard, ribs, double-braces, sliding blocks, and rests (*the entire combination being shown in the prior art, functioning in the same way and producing exactly the same results*) was invalid for lack of patentable invention. The Court, in *Knapp* v. *Morss*, *supra*, recognized the principle stated in *Webster Loom Co.* v. *Higgins*, 15 U.S. 591, (26 L. Ed. 1131), that a new combination of known elements producing a new and beneficial result may constitute patentable invention but held that this principle was inapplicable in *Knapp* v. *Morss* because *both* the combination and its mode of operation were old.

The Court, in *Knapp* v. *Morss*, stated that, while the purpose of the patent there in suit was to effect radial expansion of the dress-form, such purpose did not constitute patentable invention in the absence of any new and useful means for obtaining the result.

Here, again, the inapplicability of the decision to

the facts at bar is readily apparent, since the invention of the Hollingshead patent in suit not only accomplished a new and useful result but, as will be brought out hereinbelow under *Argument-Point 8*, also employes a new and differently-functioning combination of elements to attain this result.

The case of *In re Patton*, 127 F. 2d 324 (CCPA), cited by the Court of Appeals in the case at bar (R., p. 776) stands for nothing more than the proposition that a system of transacting business is not patentable. The inapplicability of this decision to the facts at bar is readily apparent from the following claim which was one of those rejected by the Court in the case of *In re Patton*:

> "7. The combination, in a fire protective system for national defense, against aircraft attack; of standard, detachable, propelled units and trailer units; utilizing the principle of mobile batteries or fleets, and extra trailers, adapted to function as a unit of the army."

The last case cited by the Court of Appeals in the case at bar (R., p. 776), namely *Hotel Security Checking Co.* v. *Lorraine Co.*, 160 Fed. 467 (CCA-2), held that a bookkeeping system for checking on waiters in restaurants was not patentable because the bookkeeping forms employed were identical with those previously used for many years and because the system did not constitute one of the patentable categories* provided by Section 4886 of the Revised Statutes (35 USC 31).

It is submitted that the *Patton* and the *Hotel Security Checking Co.* decisions, being based, as they are, upon the principle that a method of doing business is not within any of the patentable categories provided by Section 4886 of the Revised Statutes, do not support the Court of Appeals' decision in the case at bar because the Court of Appeals has conceded that the drive-in theatre structure of the patent-in-suit "may be the subject matter of a pat-

*i. e. "machine", "manufacture" or "art".

ent. *Park-In Theatres* v. *Rogers*, 130 F. (2d) 745" (R., p. 775).

The *Patton* and the *Hotel Security Checking Co.* decisions might have been applicable if the patent here in suit covered a system for checking the payment or collection of admission fees (which, of course, is *not* the case), but clearly constitute no authority for holding the Hollingshead patent invalid on its face, in disregard of the presumption of validity and the fact-findings of invention made by the trial court, and without reliance on any of the prior art of record and in disregard[2] of all evidence supporting the trial court's fact-finding of invention.

The unreasonableness of the Court of Appeals' test of invention (as residing solely in the physical structure and not at all in the mental concept which forms the basis for the structure) can be seen, for instance, if we consider that, under this test, Benjamin Franklin could not have qualified for a patent on his lightning-rod, one of the most important inventions of his time.* Thus, Franklin's "invention or discovery" certainly resided for the most part, if not exclusively, in the mental concept or realization that lightning and electricity were the same and that a house could be protected from lightning by providing it with an up-standing electrical conductor and an electrically conducting connection between it and the ground, which would carry off the electrostatic charges to the ground. Given this mental concept, almost any blacksmith or metal craftsman could have suggested the use of an iron rod mounted on the roof of the house and leading to the ground and, under the test of invention applied by the Court of Appeals in the case at bar, this would necessarily have precluded the granting of any valid patent to Franklin on the lightning-rod.

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[2] Opinion at R., p. 776, lines 10 to 20.

* The lightning-rod was, of course, invented long prior to the institution of our patent system.

Obviously, Congress, in enacting Section 4886 of the Revised Statutes in accordance with the Constitutional authority granted to it, could not have intended any such result as this.

Indeed, in virtually all of the relatively small number of truly significant inventions which have contributed most to our civilization, the "invention" can be found to reside primarily, if not exclusively, in the creative mental concept or idea which occurred to the inventor (whether Archimedes, Galileo, Franklin, Robert Fulton, Samuel B. Morse, Marconi or Thomas A. Edison) rather than in the subsequent physical structure in which the mental concept was thereafter embodied.

It is submitted, therefore, that the Court of Appeals erred in ruling out the novelty, originality and utility of Hollingshead's creative mental concept as evidencing invention and as supporting the validity of the patent-in-suit.

ARGUMENT OF POINT 5: Initial skepticism of those skilled in the motion picture industry and subsequent recognition, acceptance and commercial success of the drive-in theatre of the patent in suit, and the testimony of those skilled in the motion picture industry that drive-in theatre of the patent in suit was ingenious, are all evidences of invention supporting the trial court's fact-finding of invention.

In its Opinion, the Court of Appeals for the First Circuit held that all evidence supporting the trial court's fact-finding of invention (and fortifying the legal presumption of invention inherent in the granting of the patent) was "beside the point" (R., p. 776, line 10).

The Court of Appeals for the Ninth Circuit held the contrary, namely, that

> "the patentee* has the right to fortify the presumption of validity of the patent by proof of matters

*i. e. the patentee Hollingshead of the patent here in suit.

> tending to show that the *conception* of the patentee* involved invention . . ." (130 F. 2d 748)

and that the presumption of invention attaching to the grant of the patent here in suit

> "is so strong that in the event of a reasonable doubt as to the patentability or invention the doubt must be resolved in favor of the validity of the patent. *Mumm* v. *Jacob E. Decker & Sons*, 301 U. S. 168, 171 . . ." (130 F. 2d 748)

In the case at bar, the "matters tending show that the *conception* of the patentee (Hollingshead) involved invention" (130 F. 2d 748) are (*a*) initial skepticism of the industry, (*b*) subsequent public-acceptance, (*c*) commercial success, (*d*) the direct testimony of motion-picture engineers, exhibitors and theatre owners and operators of motion-picture theatres that the drive-in theatre was new, ingenious, not suggested by any prior theatre practice and a valuable contribution to the motion-picture exhibition industry, (*e*) the testimony of defendant's officer on direct examination (as defendant's witness) that the drive-in theatre of the patent-in-suit is a "fair idea" (R., p. 185) and (*f*) defendant's public advertisements stating that the drive-in theatre of the patent-in-suit is *"new" and "unique"* (R., p. 499) and *"the outstanding innovation in the amusement world"* with *"many advantages"*, which *"solves the family evening entertainment problem"* (R., p. 497), is a *"boon to invalids"* (R., p. 501), *"approved"* (R., p. 501) and *"acclaimed by the critics"* and provides "perfect visibility and sound" (R., p. 505), received *"immediate and enthusiastic approval from the public"*, is a *"spectacular success"* (R., p. 505), and in which *"automobiles can enter and leave at any time"* and *"incoming and outgoing cars will in no way interfere with either sound or vision"* (R., p. 543);—all as more fully pointed out in the *Statement of the Case* on foregoing pages 2 to 17, inclusive.

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* i. e., the patentee Hollingshead of the patent here in suit.

It is a well-established rule that initial skepticism or incredulity in the industry, followed by public acceptance and commercial success, is strong evidence that the claimed subject-matter of the patent was inventive and not merely the expected result of a man skilled in the art. As stated in *National Battery Co.* v. *Richardson Co.* 63 F. (2d) 289, 292, (CCA 6):

> "Were we in doubt upon this subject, however, the at first prevalent incredulity of the trade, and then the rapidly increasing acceptance and the broad development of the commercial use of such boxes must tip the scales in favor of novelty, utility, and invention."

And in *McKee* v. *Graton & Knight Co.*, 87 F. (2d) 262, 264, (CCA 4), the Court said:

> "The fact that the trade was at first doubtful of its utility is pretty clear proof that it was not something that was obvious or that it involved mere mechanical skill".

And, as pointed out by this Court in *Goodyear* v. *Ray-O-Vac*, 321 U.S. 275, 278 (88 L. Ed. 721, 724):

> "Viewed after the event, the means Anthony adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention. (Citing cases) During a period of half a century, in which the use of flash light batteries increased enormously, and the manufacturers of flash light cells were conscious of the defects in them, no one devised a method of curing such defects. Once the method was discovered it commended itself to the public as evidenced by marked commercial success. These factors were entitled to weight in determining whether the improvement amounted to invention and should, in a close case, tip the scales in favor of patentability. (citing cases)

To like effect are the following cases:

Smith v. *Snow,* 294 U.S. 1, 7, 14 (79 L. Ed. 721, 725, 729);

Smith v. *Goodyear Dental Vulcanite Co.,* 93 U.S. 486, 495 (23 L. Ed. 952, 954-5);

Magowen v. *New York Belting & Packing Co.,* 141 U.S. 332, 343 (35 L. Ed. 781, 785);

Topliff v. *Topliff,* 145 U.S. 156, 163-4 (36 L. Ed. 658, 661-2);

Keystone Mfg. Co. v. *Adams,* 151 U.S. 139, 143 (38 L. Ed. 103, 104);

C. & A. Potts & Co. v. *Creager,* 155 U.S. 597, 609 (39 L. Ed. 275, 279);

Minerals Separation Ltd. v. *Hyde,* 242 U.S. 261, 270 (61 L. Ed. 286, 293);

Diamond Rubber Co. v. *Consolidated Rubber Tire Co.,* 220 U.S. 428, 434-5, 441 (55 L. Ed. 527);

Lincoln Stores v. *Nashua Mfg. Co.,* 157 F. 2d 154, 163 (CCA 1); certiorari denied 329 U.S. 811;

Strong-Scott Mfg. Co. v. *Weller,* 112 F. 2d 389, 395 (CCA 8);

James P. Marsh Corp. v. *U.S. Gauge Co.,* 129 F. 2d 161, 163-4 (CCA 7);

Forestek v. *Knapp-Monarch Co.,* 106 F. 2d 554, 558 (CCA 6);

Electric Machinery Co. v. *General Electric Co.,* 88 F. 2d 11, 14-15 (CCA 2).

In view of the abundant, cogent and wholly uncontroverted evidence (*a*) of the initial skepticism of responsible and skilled people in the motion picture industry, and (*b*) of the subsequent public-acceptance and (*c*) commercial success of the drive-in theatre of the patent here in suit, and in view of the clear testimony of responsible motion picture executives with long experience and of

engineers in the motion picture industry (*d*) that the drive-in theatre of the patent-in-suit was ingenious and a valuable contribution to the motion picture exhibition industry, the Court of Appeals for the First Circuit was clearly in error in disregarding and holding "beside the point" (R., p. 776, line 10) all such evidence supporting the trial court's fact-finding of invention and fortifying the legal presumption of invention inherent in the granting of the patent, and its action in so doing represents such a departure from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision.

ARGUMENT OF POINT 6: Length of time between conception and reduction does not negative invention

Summary: The length of time intervening conception and reduction to practice, is not determinative of whether the subject matter did or did not involve the exercise of the inventive faculties, as patentability may be found, at least in part, in the *flash* of creative genius as distinguished from the subsequent (short or long) effort required to make a physical embodiment of the inventive concept or idea, and even if the length of time is one of the elements which may be considered, then the time-interval (between conception and reduction to practice) in the case at bar was not so short as to negative invention.

Among the reasons relied on by the Court of Appeals, in the case at bar, for reversing the trial Court's fact-finding of invention, were such statements as "the art did not have to wait for years for Hollingshead to discover the means for making drive-in theatres practically useful", "And it did not take him long to solve those problems*", "the finding of invention in devising the means for carrying out the idea cannot be buttressed by a finding that Hollingshead was the first to supply the solution for a long-standing problem." (R., p. 779)

* The problems inherent in constructing a practical drive-in theatre.

In other words, the Court of Appeals based its decision, at least in part, upon the propositions

> that there must be a considerable period of time intervening conception and reduction to practice before there can be a patentable invention, and
>
> that *the length of time* required for Hollingshead to devise the physical structure, after having had his inventive concept, was insufficient to evidence invention.

It is submitted that the Court of Appeals erred as to both of these propositions.

Thus, we are aware of no authority (and the Court of Appeals' opinion cites none) to support the proposition that a long period of time must elapse between the original concept of an invention and its subsequent reduction to practice.

Instead, the principle, as many times stated in the decisions discussed hereinabove under *Argument-Point 5*, is that commercial success and public acceptance of a patented device constitute evidence of patentable invention especially where the device was one which could have been (but was not) invented many years earlier.

Applying this principle to the facts at bar, it is clear that there was a need for a practical drive-in theatre many years prior to the invention of the patent-in-suit.

Thus, simultantously with the rapid development and phenomenal expansion of the automobile industry over the first quarter of the 20th century, there arose many other industries based upon and catering to the automotive trade.

To cite a few illustrations, advertising billboards intended to attract the attention and the patronage of motorists, almost exclusively, became a multi-million dollar business. Along most roads and highways, restaurants, diners, lunch-stands and the like, mushroomed in ever-increasing numbers, dependent solely upon the

business of the automobile trade. Tourist cabins and hotels provided lodging for the traveler and a garage for his vehicle. Service stations, by the thousands, supplied the motorist with everything needed to keep his car in running condition. Complex multi-story garage structures, and multi-purpose structures including car-storage, employing expensive car-handling arrangements, were built in the principal cities to provide off-the-street storage. See, for instance, the *Mason patent* (PX-37 at R., pp. 557 to 578) and the *Lonberg-Holm publication* (PX-38 at R., p. 579).

Clearly, there was a realization that the automobile trade which could support many varied types of enterprises, and many varied enterprises had developed long prior to the invention of the patent-in-suit based solely on the needs and comforts of the motorist.

Nevertheless, in spite of the many millions of automobiles which had been built and the many billions of dollars which had theretofore been spent in connection with the automotive and related industries, no one, prior to Hollingshead, had conceived the very practical (and, as subsequently proven, tremendously successful) idea of providing a practical drive-in theatre which would cater to the automotive trade and which would enable the motorist and his passengers to view motion pictures comfortably from the car, without the need for placing the car in a parking lot and thereafter walking to a conventional theatre house employing individual seats, and permitting whole families to go to the movies without the need for engaging any "baby-sitter" for the young member of the family, who sleeps on the back-seat while the parents and older child see the movies from the front seat (see also the advantages on pages 10 to 12, *supra*).

It is conceded that Hollingshead's invention laid the foundation for an entirely new multi-million dollar industry. Even more important, this new industry did not merely supplant something which went before (as, for

example, the electric light supplanted the gas-mantle industry) and, instead, created an entirely new means of entertainment for motorists and an entirely new source of revenue and employment for thousands of theatre owners and employees.

Against the background of facts, it is, we submit, evident that Hollingshead's inventive contribution was one of the great magnitude, far overshadowing the ordinary "run of the mill" patentable improvement which is the subject matter of the average patent.

Hollingshead's invention clearly reveals "the flash of creative genius" within the meaning of this Court's decision in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84, 91 (86 L. Ed. 58, 63).

The term "flash" necessarily implies something evolved in a fleeting instant of creative mental conception and negatives any dependence upon the prolonged experimental work which, according to the Court of Appeals' opinion in the case at bar, must intervene between conception and reduction to practice in order to constitute evidence of invention. Indeed, this tedious and long drawn out procedure of experimentation has, under some circumstances, been held to constitute mere "routineering", negativing, rather than supporting, invention. See *Potts* v. *Coe*, 140 F. 2d 470, 473 (App. D.C.).

It is submitted, therefore, that basic error exists in the Court of Appeals' proposition that a long period of time intervening conception and reduction to practice is necessary to constitute evidence of invention.

Moreover, even if this proposition were sound, the facts of record do not support the Court of Appeals' conclusion that it did not take Hollingshead long to do this.

As a matter of fact, the record clearly shows that over a year elapsed between Hollingshead's original conception and the subsequent reduction to practice (R., p. 73).

ARGUMENT OF POINT 7: Patentee does NOT have any burden of showing any prior unsuccessful efforts of others.

Summary: It is *never* incumbent upon a plaintiff-patentee to show any prior unsuccessful efforts of others, and this is applicable, a fortiorari, in the case at bar, since defendant's affirmative pleading (in its Answer) that others prior to the patentee had diligently tried to adopt and perfect the drive-in theatre of the patent-in-suit, constituted such *judicial admission* as to obviate the necessity of proof (even if such burden of proof would otherwise exist).

The defense (not pleaded, noticed, urged or considered in the trial Court) that "*there had been no unsuccessful efforts wherein others had tried and failed*" to build or construct a practical drive-in theatre, was advanced, for the first time, in defendant's statement of "*Defendant's Position*" contained in defendant's brief in the Court of Appeals (reproduced in *Appendix G* hereto, page 2-g, lines 26 & 27).

The Court of Appeals, in the case at bar, responded to this unpleaded and novel defense, in the following statements:

> "Furthermore, the art did not have to wait for years for Hollingshead to discover the means for making drive-in theatres practically useful. So far as the record discloses Hollingshead was the first to hit upon the idea of a drive-in theatre and consequently he was the first to appreciate the problems inherent in designing a practical one. And it did not take him long to solve those problems. Thus while the art may have had to wait for years for the idea or conception of a drive-in theatre, the finding of invention in devising the means for carrying out the idea *cannot be buttressed by a finding that Hollingshead was the first to supply the solution for a long-standing problem.*" (R., p. 779)

It is submitted that the above-quoted statements are unsound and do not correctly state the applicable law for several reasons.

Thus, it was not incumbent upon plaintiff to present any evidence whatever on this factual point going to the question of invention, and, in the absence of clear and convincing evidence presented by the infringer tending to negative invention, was entitled, under the cases discussed hereinabove under *Argument-Point 2*, to rely upon the presumption of invention inherent in the grant of the patent (further supported by the trial court's fact-finding of invention and the extensive evidence supporting this fact-finding).

Secondly, while a showing that others prior to the patentee had tried unsuccessfully to solve a particular problem in an *established* art is sometimes regarded by the Courts as a factor to be weighed *in favor of* a fact-finding of invention, *lack of prior failure of others is never a defense to the validity of a patent*, and such a showing could not, by its very nature, be made where, as in the case at bar, the patentee is the pioneer in an art which did not even exist prior to his invention of the patent in suit.

In other words, it is inconsistent on the one hand to concede that Hollingshead was the first to conceive of a practical drive-in theatre and was the first to embody it in practical form and, on the other hand, to impugn the validity of the Hollingshead patent on the ground that others had not unsuccessfully attempted to do the same thing.

It is submitted that, in the case of a pioneer invention such as that of the patent-in-suit, the proper test to apply is the length of time during which others had all the usual incentives to make the invention *but did not make the invention.*

Automobiles and motion pictures had both been in wide and general use for about a quarter of a century prior to Hollingshead's invention, and yet the public and

the motion-picture exhibition industry *did* "have to wait" for a quarter of a century "for Hollingshead to discover the means for making drive-in theatres practically useful".

Moreover, complete lack of conception by those who would have been expected at least to visualize the problem, also represents more eloquent tribute to Hollingshead's inventive genius than any conventional showing that others had in fact realized the problem but (for years) had fallen short of its practical solution.

It is further submitted that, on the pleadings, there was a *judicial admission* (in the Answer) that others prior to Hollingshead had diligently tried to adapt and perfect the drive-in theatre of the patent in suit (R., p. 11, lines 7 & 8), and such judicial admission obviated the necessity of any proof of prior unsuccessful efforts of others (even assuming that a patentee has any such burden of proof).

Thus, as stated in *Wigmore on Evidence* (3rd Edition, 1940) Volume IV, §1064, pp. 45-6:

> "The pleadings in a cause are, for the purposes of use in that suit, not mere ordinary admissions (ante, §1057), but judicial admissions (post, §2588); *i. e.* they are not a means of evidence, but a waiver of all controversy (so far as the opponent may desire to take advantage of them) and therefore a limitation of the issues. Neither party may dispute beyond these limits. Thus, any reference that may be made to them, where the one party desires to avail himself of the other's pleading, is not a process of using evidence, but an invocation of the right to confine the issues and to insist on treating as established the facts admitted in the pleadings.
>
> "This much being generally conceded, it follows that a party may at any and all times invoke the language of his opponent's pleading on that particular issue as rendering certain facts indisputable; . . ."

In *Jones* v. *Moorehead*, 68 U.S. 155, 17 L. Ed. 662, 664, this Court held that an admission of infringement, in a patent-infringement suit, was binding upon the defendants, even though it was apparent that, had there been no such admission, the evidence would have clearly required a finding of non-infringement;—this Court stating:

> "It would be subversive of all sound practice, and tend largely to defeat the ends of justice, if the court should refuse to accept a fact as settled, which is distinctly alleged in the bill, and admitted in the answer. Crockett *v.* Lee, 7 Wheat., 522."

To like effect are the following decisions of this Court and of the Courts of Appeal of other Circuits:

Miles v. *United States*, 103 U.S. 304, 26 L. Ed. 481, 483-4;
Scott v. *Commissioner*, 117 F. 2d 36, 40 (CCA 8);
Stolte v. *Larkin*, 110 F. 2d 226, 232 (CCA 8);
Darling Shops, Inc. v. *Brack*, 95 F. 2d 135, 141 (CCA 8);
Alamo v. *Del Rosario*, 98 F. 2d 328, 330 (App. D.C.).

In view of the authorities discussed above, it is submitted that the Court of Appeals, in the case at bar, also erred in ignoring the *judicial admission* contained in defendant's Answer and in holding that there was no evidence of prior unsuccessful attempts by others to construct a drive-in theatre.

Therefore, the Court of Appeals, in the case at bar, has so far departed from the usual and accepted cause of judicial proceedings as to call for the exercise of this Court's power of supervision, in that said Court of Appeals

a) based its reversal (of the trial court's fact-finding of invention) at least in part upon the lack of prior unsuccessful efforts of others (which is *never* a legal defense to the validity of a patent, and was not pleaded, noticed, urged or considered in the trial court), and

b) ignored defendant's *judicial admission* that others prior to Hollingshead tried diligently to adopt and perfect the drive-in theatre of the patent-in-suit.

ARGUMENT OF POINT 8:

New combination of old elements, patentable.

Summary: Where, as here, the claimed invention is a combination of elements, the test of patentability is primarily the novelty and ingeniousness of the claimed *combination* and not the novelty of its component elements, *per se*.

The Statute (35 U.S.C. 33)* expressly provides for a claim on a *combination* of elements or parts (as distinguished from a claim to an element or part, per se).

The Court of Appeals' decision, in the case at bar, after first concluding that invention can not reside in the mental concept or idea underlying Hollingshead's patent-in-suit, and after holding that the District Court's findings of fact (based upon expert testimony and other evidence) that the drive-in theatre of patent-in-suit was ingenious, inventive and met with marked public acceptance and commercial success, were irrelevant, turns its attention to "the mechanical means or instrumentalities" of the patent-in-suit. (R., p. 776).

The Court of Appeals' decision then goes on to discuss the "means" as consisting solely of "aiming" mechanism for pointing automobiles at a screen and concludes that there is "nothing inventive" involved in the element, and that the feature does not involve or call for "an exercise of the inventive faculty" (R., p. 777-9).

The Court of Appeals' opinion goes on to conclude:

> "In view of our own analysis of Hollingshead's means we are of the opinion that the ultimate finding of the court below that an exercise of the faculty of invention was required to devise those means was clearly erroneous" (R., p. 779).

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* ". . . inventor or discoverer . . . **shall** . . . **claim the** part, improvement or **combination** which he claims as his invention or discovery . . ."

Claim 6 is illustrative of the claims (namely claims 2, 4, 5, 6, 8, 10, 15, 16 and 19) which were held valid by the trial court.

Claim 6 is a "combination" claim covering a number of different elements arranged in cooperative relationship to each other to produce a new and useful end-result (namely the effective viewing of motion pictures in an outdoor drive-in theatre through the windshields of a large number of automobiles and permitting the ingress and egress of automobiles without ever obstructing the line-of-vision of occupants of other automobiles).

Claim 6 can be broken down into its individual component elements as follows:

"6. An outdoor theatre comprising

(*a*) a screen

(*b*) alternate rows of automobile drive-ways and

(*c*) vertically inclined automobile stall-ways arranged in front of the screen,

(c^1) said stall-ways being adapted to receive automobiles adjacent to each other and facing the screen;—

(c^2) said automobile stall-ways being at an angle with respect to the screen such as will produce a clear angle of vision from the seat of the automobile, through the windshield thereof to the screen, free of obstruction from the automobiles ahead of it,

(*d*) an abutment along the front boundary of each of said stall-ways for limiting the forward position of the automobiles therein, and

(*e*) a motion picture projection booth in operative relation to said screen, and

(*f*) electrical sound reproducing means in operative relation to said stall-ways."

Thus, we have here a claim covering a combination of six different elements, namely elements (*a*) to (*f*). The Court of Appeals' discussion of the "mechanical means or instrumentalities" which, in its view, constitute the invention of the patent-in-suit, limits itself *solely* to a consideration of element "*c*" (namely the stall-ways) with its structural features c^1 and c^2, and wholly ignores the question of whether any of the remaining elements of the combination disclosed invention and, what is more important, whether, leaving aside the novelty of the individual elements *per se*, any invention was involved in *combining* the elements into a unitary structure to give a new and useful result never theretofore attained.

Clearly, a number of these individual elements, for example elements (*d*) and (*f*), cannot be brushed aside as anticipated by or unpatentable over the state of the art because nothing even remotely resembling these elements is ever employed in conventional indoor motion picture theatre houses.

Hence, the Court of Appeals, in limiting its consideration to a single one of a large number of elements, without even considering the remainder of the elements of the combination, was clearly unjustified in overruling the trial court's fact-finding of invention even if what the Court of Appeal said *as to the single element* were taken as correct.

For the convenience of the Court, we have annexed hereto, on pages 79 to 81 hereof, a copy of Claims 2, 4, 5, 6, 10, 15, 16 and 19 of the patent here in suit, together with our *concordance notes* and a *table of concordance* (on page 78 hereof).

It is, of course, well settled that patentable invention can reside in a novel combination of elements, producing a new and different result, even though one or more of the individual elements are old and can be found by themselves (*i. e.* divorced from the other elements) in the prior-art.

As stated in *Webster Loom Co.* v. *Higgins*, 105 U.S. 580, (26 L. Ed. 1177, 1181):

"It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of *known* elements produce a new and beneficial result, never attained before, it is evidence of invention."

And in *Expanded Metal Co.* v. *Bradford,* 214 U.S. 366, 381 (53 L. Ed. 1034, 1039), this Court stated:

"It is perfectly well settled that a new combination of elements, *old* in themselves, but which produce a new and useful result, entitles the inventor to the protection of a patent."

To like effect are the following decisions of the Courts of Appeal for various Circuits:

Forestek Plating & Mfg. Co. v. *Knapp Monarch Co.,* 106 F. 2d 554, 557 (CCA 6);
Simons v. *Davidson Brick Co.,* 106 F. 2d 518, 521 (CCA 9);
General Motors Corp. v. *Swan Carburetor Co.,* 88 F. 2d 876, 887 (CCA 6), certiorari denied 302 U.S. 691.

It is clear, therefore, that the Court of Appeals for the First Circuit, in the case at bar, in overruling the fact-finding of the trial court, completely ignored a fundamental principle of patent law that the claimed *combination* of the patent-in-suit may constitute patentable invention.

We submit further that, *even as to the single element considered* in the Court of Appeals' decision, the reasoning employed by the Court is unsound and represents a clear case of "hindsight",* which makes everything appear simple and obvious after the fact has once been demonstrated.

As stated by this Court in the recent case of *Goodyear Tire & Rubber Co.* v. *Ray-O-Vac Co.,* 321 U.S. 275, 279 (88 L. Ed. 721, 724):

* See Opinion at R., p. 778, line 10, and at R., p. 779, lines 7 & 8.

> "*Viewed after the event,* the means Anthony adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention." (citing cases)

And, as stated in *Expanded Metal Co.* v. *Bradford, supra:*

> "It is suggested that Golding's improvement, while a step forward, is nevertheless only such as a mechanic skilled in the art, with the previous inventions before him, would readily take; and that the invention is devoid of patentable novelty. It is often difficult to determine whether a given improvement is a mere mechanical advance, or the result of the exercise of the creative faculty amounting to a meritorious invention. *The fact that the invention seems simple after it is made does not determine the question; if this were the rule, many of the most beneficial patents would be stricken down.*"

It is submitted, therefore, that the Court of Appeals' decision at bar was the result of its failure to realize and apply the correct principles governing the patentability of claims drawn to a "combination" and that the Court of Appeals should *not* have (under the applicable decisions) reversed the trial court's fact-finding of invention, and, in this respect also, the Court of Appeals, in the case at bar, has so far departed from the accepted and usual course of legal proceedings as to call for the exercise of this Court's power of supervision.

ARGUMENT OF POINT 9: The reversing decision of the Court of Appeals is based on a defense or ground

9-A) which was not pleaded, noticed, urged or considered in the trial court and

9-B) which was not assigned or specified in defendant's Statement of Points under Rule 75-d;—

WHEREFORE plaintiff did not have its day in court and has been deprived of its property without due process of law.

Argument of Point 9-A

Rule 8-c of the Federal Rules of Civil Procedure provides:

> "Affirmative defenses. *In pleading to a preceding pleading, a party shall set forth . . . any . . . matter constituting an . . . affirmative defense.*"

Rule 12-b of the Federal Rules of Civil Procedure provides:

> "*Every defense, in law or fact, to a claim for relief in any pleading . . . shall be asserted in the responsive pleading thereto* if one is required, except that the following defenses may at the option of the pleader be made by motion: . . . A motion making any of these defenses shall be made before pleading if a further pleading is permitted."

Rule 12-h of the Federal Rules of Civil Procedure provides:

> "*A party waives all defenses* and objections *which he does not present either by motion** as hereinbefore provided *or*, if he has made no motion, *in his answer* or reply . . ."

The only two exceptions to the waiver specified by Rule 12-h are failure to state a claim and lack of jurisdiction over the subject matter (neither of which is applicable in the present case).

In *Mumm* v. *Decker*, 301 U.S. 168, 171 (81 L. Ed. 983, 985) this Court held that

* Defendant did present the defense of "want of invention on the face of the patent" by its Motion for Summary Judgment, but withdrew such motion on the hearing thereon (see last 6 lines of page 67, *infra*, and first 13 lines on page 68, *infra*, and Line 9 and Column 14 of Patent-Defense Chart).

"prior publication or prior use or *the other matters to which Rev. Stat. §§ 4886 and 4887 refer . . . are matters of affirmative defense.*"

The only defenses ever pleaded or noticed by defendant, going to "non-invention" or "want of invention", were contained in paragraphs 16, 17 and 18 (R., p. 10-11) and the last four lines of paragraph 4 (R., p. 8) of its Answer, reflected in Lines 9, 12 (& 13-17) and 19 (& 20-36) of the *patent-defense Chart* at the end of this brief.

With the exception of the last 4 lines of paragraph 4 (R., p. 8), the parts of the Answer which go to the question of non-invention are contained in paragraphs 16, 17 and 18 (R., p. 10-11) of the Answer and are all predicated upon alleged "prior-use" or the "prior-art" or the "state of the (prior) art", and *not* upon "want of invention on the face of the patent". These parts of the Answer (predicated upon the "prior-art" or the "state of the prior-art" or upon alleged "prior-use") are as follows:

"16. . . . the alleged invention or improvement described in said Letters Patent . . . do not exhibit or embody any substantial variation or change from what belonged to **the state of the art** as it existed at the time of the alleged invention or discovery thereof by . . . Hollingshead and did not then involve the exercise of inventive faculty . . . within the meaning and intent of the statutes relating thereto."

"17. . . . said Letters Patent . . . invalid and void because the alleged inventions, improvements or discoveries purporting to be patented therein, . . . were published, described and known **prior** to the alleged invention and discovery thereof by . . . Hollingshead, or more than two years prior to the filing of his application for said Letters Patent, in and by the following **publications**, to wit:

(listing publications)

"18. . . . said Letters Patent . . . invalid and void because . . . Hollingshead . . . not the original or first inventor or discoverer of the alleged inventions, improvements or discoveries purporting to be patented therein . . . but that the same . . . were, **prior** to the said alleged invention thereof by . . . Hollingshead, known to and in **public use by others** in this country, and were invented by others before the said patentee applied for said patent or before his alleged invention or discovery, **who were using reasonable diligence in adapting and perfecting the same,** to wit,

(listing the names and addresses of such "others").

. . . . . ."

The last four lines of paragraph 4 of defendant's Answer (R., p. 8) had reference to the defense of want of invention *on the face of the patent*, as such defense had then been upheld by the U. S. District Court for the Southern District of California in *Park-In* v. *Rogers, supra;*—defendant's Answer (R., p. 7-11) at bar having been filed *after* the District Court of California handed down said decision and *before* the reversing decision (130 F. 2d 745, 748) of the Court of Appeals of the Ninth Circuit was handed down. This defense was *withdrawn* on Pre-Trial Conference as shown in *paragraph 2* of the *Order on Pre-Trial Conference* (R., p. 22) *after* the 9th Circuit's decision in *Park-In* v. *Rogers* (130 F. 2d 745).

Before withdrawing its defense of invalidity appearing *on the face of the patent* as originally contained in paragraph 4 (R., p. 8) of its Answer, defendant also filed and brought on for hearing a Motion (R., p. 12-13) for Summary Judgment* (R., pp. 12-14) in which the defendant at bar (as did the defendant in the California case),

* Obviously copied from the Motion for Summary Judgment filed by the defendant *Rogers* in the California case, which had theretofore been sustained by the District Court, as may be seen by a comparison of Motion for Summary Judgment in the California case (which is *Appendix B* hereto) with the Motion for Summary Judgment at bar (R., pp. 12-14).

urged the same defense, namely, the invalidity, inter alia, "for want of invention on the face of the patent".

Defendant's Motion for Summary Judgment (R., pp. 12-14) in the case at bar, came on for a hearing on April 6, 1942, some five months *before* the Court of Appeals for the Ninth Circuit handed down its decision (130 F. 2d 745) on September 14, 1942. Notwithstanding that the decision of the District Court in California in *Park-In* v. *Rogers* had, at that time, not yet been reversed, upon this hearing defendant at bar withdrew its Motion for Summary Judgment as shown by the Order of July 20, 1942 (R., p. 16-17). This motion was never renewed and no motion to like effect was ever filed thereafter.

The other defense sustained by the California District Court (and likewise reversed by the Court of Appeals for the Ninth Circuit), namely, "a lack of patentable subject matter" was pleaded (in the case at bar) in paragraph 15 of the Answer (R., p. 9) and also in that part of paragraph 16 of the Answer (R., p. 10) which is in the words:

> "16. Further answering, defendant avers that the alleged invention or improvement described in said Letters Patent and purported to be patented thereby . . . did not . . . constitute subject matter of invention proper to be secured by the grant of Letters Patent within the meaning and intent of the statutes relating thereto.",

and was likewise included in defendant's *withdrawn* (R., p. 16-7) Motion for Summary Judgment (R., pp. 12-14).

While defendant did, from time to time thereafter (before trial) amend its Answer a number of times to plead additional defenses and gave notices of additional defenses (all patent-defenses being summarized in the *patent-defense Chart* at the end of this brief), defendant never thereafter re-asserted (by pleading, notice or otherwise) any defense or contention that the patent was invalid for *want of invention on its face.*

This is further indicated by defendant's *Opening Statement,* upon the trial, reproduced in *Appendix F* hereto.

In defendant's *Statement of Points* under Rule 75-d (R., pp. 436-8), the *only* ground of non-invention or want of invention raised by defendant is in paragraph 2 of Section I (R., p. 436), in the words:

> 2. The disclosures of said patent . . . **lack invention, in view of the prior** knowledge of those skilled in the **art, as shown by the record herein."**

Paragraph 1 of Section I of defendant's *Statement of Points* (R., p. 436) merely goes to the defense of lack of patentable subject matter* which was not sustained either by the trial court or by the Court of Appeals in the case at bar (as reflected in *Line 7* of the *patent-defense Chart* at the end of this brief.)

Paragraph 3 of Section 1 of defendant's *Statement of Points* (R., p. 436) merely goes to the defense[2] pleaded in defendant's Further Answer filed December 22, 1944 (R., p. 27) and reflected in *Line 18 and Column 18* of the *patent-defense Chart* at the end of this brief, which defense was not sustained either by the trial court or by the Court of Appeals (R., pp. 774/28 to 775/15).

Paragraph 4 of Section I of defendant's *Statement of Points* (R., p. 437) asserts the indefiniteness of the claims of the patent-in-suit, which was *never* pleaded or noticed, as shown in *Line 37* of the *patent-defense Chart* at the end of this brief, and this defense was *not* sustained either by the trial court or by the Court of Appeals.

In *Paragraph 5 of Section I* of defendant's *Statement of Points* (R., p. 437) goes to the defense of non-infringe-

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* i. e., that the drive-in theatre is neither a "manufacture" or a "machine" or an "art" within the meaning of 35 USC 31.

[2] i. e., "inadequacy of disclosure", namely, that the patent-in-suit does not contain sufficient disclosure of how to build Hollingshead's drive-in theatre, as would enable a person, skilled in the art, to make, construct and use the same, as required by 35 U.S.C. 33.

ment which was contained in paragraph 12 of the Answer (R., p. 9) which defendant withdrew on Pre-Trial Conference as shown in paragraph 8 of the Order on Pre-Trial Conference (R., p. 23) so that, upon the trial, the allegations of infringement contained in paragraph 12 of the Complaint (R., p. 7) stood admitted and no longer at issue. Because of this, the defense of non-infringement was not included in the *patent-defense Chart* at the end of this brief. The defense of non-infringement was *not* sustained by the Court of Appeals.

Paragraph 6 of Section I of defendant's *Statement of Points* (R., p. 437) merely alleges error in the trial court's findings and conclusions but does *not* rely upon or raise any specific defense or ground of invalidity or "want of invention".

Section II (R., p. 437-8) of defendant's *Statement of Points* merely goes to the contract phase of the suit and to defenses of alleged "patent misuse" which were *not* sustained either by the trial court nor by the Court of Appeals and are therefore not in issue here.

Defendant concluded its statement of "*Defendant's Position*" in its brief in the Court of Appeals (reproduced in *Appendix G* hereto) with the words:

> "The defenses relied upon are among those specified in defendant's Statement of Points (R., p. 436)".

It is respectfully submitted that defenses not presented in the Answer (or by way of motion) cannot be the proper or valid basis for the reversal of the trial court's judgment* for plaintiff.

Rule 8-c (page 65, *supra*) of the Federal Rules of Civil Procedure provides that affirmative defenses must be pleaded in an answer.

As stated by the U. S. Court of Appeals for the 8th Circuit in *Nakdimen* v. *Baker*, 111 F. 2d 778, 782 (certiorari denied 311 U.S. 655), where a defendant does not

* See Moore's Federal Practice (Second Edition), pages 23, 28-9, and cases that cited applying Rule 12-h.

plead "an affirmative defense and the issue was not raised, considered nor passed upon in the district court . . . the defense cannot be raised in this court for the first time."

In *Schmidtke* v. *Conesa*, 141 F. 2d 634, 635 (CCA 1) the Court ruled that it was not free to consider (on appeal) issues not raised by the pleadings below, and stated:

> "Furthermore, without amendment of the pleadings the issue of the plaintiff's exemption as a professional employee is no more before us than it was before the court below. See *Cohen* v. *United States*, 8 Cir., 129 F. 2d 733, 737. See also *Carroll* v. *Paramount* Pictures, D. C., 3 F.R.D. 47, 48."

To like effect is *Federal Deposit Insurance Corp.* v. *Congregation Poilen Tzedeck*, 159 F. 2d 163, 167 (CCA 2).

The waiver provision of Rule 12-h (page 65 *supra*) has also been uniformly applied but by other U. S. Courts of Appeal, as shown by the following decisions:

Edward B. Marks Music Corp. v. *Jerry Vogel Music Co.*, 140 F. 2d 268, 270 (CCA 2);

Roe v. *Sears, Roebuck & Co.*, 132 F. 2d 829, 832 (CCA 7);

Chicago Great Western Ry. Co. v. *Peeler*, 140 F. 2d 865, 868, (CCA 8);

Trounstine v. *Bauer, Pogue & Co.*, 144 F. 2d 379, 383 (CCA 2).

The Federal Rules of Civil Procedure have the force of Statute, as stated in *John R. Alley & Co.* v. *Federal National Bank*, 124 F. 2d 995, 998 (CCA 10):

> "The new rules have the force and effect of statutes. *Sibbach* v. *Wilson & Co.*, 312 U. S. 1, 61 S. Ct. 422, 427, 85 L. Ed. 479."

To the same effect is

Nash v. *Raun*, 67 F. Supp. 212, 217 (DC WD Pa).

The Fifth Amendment of the Constitution (which is applicable to the Federal Government and its Courts) provides, inter alia:

> "no person shall be . . . deprived of . . . property without due process of law . . ."

Petitioner therefore respectfully submits that in so reversing the trial court's fact-finding of invention and in holding plaintiff's patent in suit invalid, upon a ground or defense not pleaded, noticed, urged or considered in the trial court (namely the ground or defense of want of invention on the face of the patent*) the U. S. Court of Appeals, in the case at bar, has deprived plaintiff of valuable property without affording plaintiff its day in court in respect to the defense sustained by the Court of Appeals and without due process of law, in violation of the Fifth Amendment of the Constitution of the United States (and also in violation of the Federal Rules of Civil Procedure) and in conflict with the above-cited decisions of U. S. Courts of Appeal, and, in so doing, the U. S. Court of Appeals for the First Circuit has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

---

* i. e.

a) without reliance upon any of the prior art patents, publications or the alleged prior use of record and assigned in defendant's *Statement of Points* under Rule 75-d

and

b) in disregard of all evidence tending to fortify the presumption of invention flowing from the grant of the patent and supporting the trial court's fact-finding of invention (all such evidence the Court of Appeals held was "beside the point").

Argument of Point 9-B

Rule 75-d of the Federal Rules of Civil Procedure provides that

> "If the appellant does not designate for inclusion the complete record and all the proceedings and evidence in the action, he *shall serve* with his designation a concise *statement of points* on which he intends to rely on the appeal."

The Federal Rules of Civil Procedure have the force of statute (see last 8 lines of page 71, *supra*).

In the case at bar, defendant-appellant (respondent at bar) did not designate, for inclusion, the complete record and all the proceedings and evidence in the action. Hence, defendant's *Statement of Points* appearing on pages 436 and 437 of the printed Record herein.

As pointed out more fully on foregoing pages 69 and 70 hereof, the *sole* basis assigned by respondent (defendant) in its *Statement of Points* under Rule 75-d for any contention of "non-invention" or "lack of invention" or "want of invention", was

> "lack of invention in view of the prior . . . art as shown by the record herein" (R., p. 436).

As also pointed out more fully on foregoing pages 69 to 70 hereof, defendant's *Statement of Points* under Rule 75-d did *not* assign or specify *lack of invention on the face of the patent* (for the reason, no doubt, that this defense was not pleaded).

This Court, in *Jesionowski* v. *Boston & Maine R. R.*, 329 U.S. 452, 458-9 (91 L. Ed. 416, 421), affirmed the interpretation of Rule 75-d, that a Court of Appeals may not consider a ground or contention not specified in appellant's *Statement of Points* under Rule 75-d, and said:

> "Respondent also urges here, as it did in the Circuit Court of Appeals, that because the trial judge directed a verdict for it on the first count of

the complaint, which charged a defect in the car, track or roadbed, the court was not justified in submitting to the jury the question of a defect in these respects under the second count. The Circuit Court held that this question was not properly raised before it because respondent had failed on appeal to make 'a concise statement' of the point as required by Rule 75(d) of the Rules of Civil Procedure Respondent argues that the question was properly raised, though not specifically, by its general point that 'the doctrine of *res ipsa loquitur* is not applicable to the facts of this case.' We cannot hold that the Circuit erred when it refused to consider the question because of respondent's failure to comply with Rule 75(d)."

To like effect are the following decisions:

Ritchie v. *Drier*, 165 F. 2d 238, 240 (U.S. App. D.C.);
Kuper v. *Betzer*, 127 F. 2d 84, 85 (CCA-8).

While the *due process* provision of either the 5th Amendment or the 14th Amendment to the Constitution of the United States does not, in and of itself, require that a right of appeal shall exist (*District of Columbia* v. *Clawans*, 303 U.S. 617, 627; 81 L. Ed. 843, 847), yet as stated in *Boykin* v. *Huff*, 121 F. 2d 865, 872 (App. D.C.):

"While due process under the Fifth Amendment, as under the Fourteenth, does not require appellate review, nevertheless when Congress creates that right it is not free from all constitutional restrictions, including the obligation not to make unreasonable discriminations."

To like effect is *Frank* v. *Mangum*, 237 U.S. 309, 327, (59 L. Ed. 969, 980), wherein this Court stated:

"But it would be clearly erroneous to confine the inquiry to the proceedings and judgment of the

> trial court. The laws of the state of Georgia (as will appear from decisions elsewhere cited) provide for an appeal in criminal cases to the supreme court that state upon divers grounds, including such as those upon which it is here asserted that the trial court was lacking in jurisdiction. And while the 14th Amendment does not require that a state shall provide for an appellate review in criminal cases (citing cases), it is perfectly obvious that where such an appeal is provided for, and the prisoner has had the benefit of it, the proceedings in the appellate tribunal are to be regarded as a part of the process of law under which he is held in custody by the state, and to be considered in determining any question of alleged deprivation of his life or liberty contrary to the 14th Amendment."

To like effect is the decision of this Court in *Saunders* v. *Shaw*, 244 U.S. 317 (61 L. Ed. 1163).

As stated in *United States* v. *Henson*, 21 F. Supp. 616, 618 (DC ED Pa. Maris, J.):

> "The due process of law to which the Fourteenth Amendment refers is not confined to the proceedings and judgment of the trial court. It includes also proceedings on appeal in the state court."

Non-invention or want of invention on the face of the patent* was pleaded[2] in the last four lines of paragraph 4 (R., p. 8) of the Answer and was also made the basis of *ground "c"* of defendant's Motion for Summary Judgment (R., p. 13). Its motion for summary judgment having been *withdrawn* on March 14, 1942 *on the hearing on said motion*, as shown by the Order of July 20, 1942

* i. e., (*a*) without reliance upon any prior-art of record and (*b*) without admitting any evidence to fortify the legal presumption of invention inherent in the granting of the patent.

[2] In reliance upon the then unreversed ruling of the District Court for the Southern District of California in *Park-In* v. *Rogers*, *supra*, that the patent here in suit is invalid, inter alia, for want of invention on the face of the patent.

(R., pp. 16-7) and the aforesaid pleading (in paragraph 4 of the Answer) having been *withdrawn* on Pre-Trial Conference on November 16, 1944, as shown by paragraph 2 of the Pre-Trial Order (R., p. 22) of November 16, 1944, and this defense of *non-invention on the face of the patent* not having been urged or considered in the trial court, and not having been assigned or specified in defendant's *Statement of Points* under Rule 75-d, it was clearly a deprivation of property without due process to have reversed the trial court's fact-finding of invention and to have reversed the trial court's judgment for plaintiff, as was done by the Court of Appeals in the case at bar, and plaintiff has therefore not had its day in court in respect to this defense.

It was, no doubt, in recognition of the above-cited applicable rules and authorities that defendant concluded its statement of "Defendant's Position (*Appendix G* hereto) in its brief in the Court of Appeals in the following words:

> "The defenses relied upon are among those specified in Defendant's Statement of Points (R., p. 436)."

The above-quoted concluding statement, coupled with the fact that the only ground assigned in its *Statement of Points* for any contention of *non-invention* was "lack of invention in view of the prior . . . art as shown by the record herein" (R., p. 436), together with the failure of defendant to set forth any distinct statutory grounds in its aforesaid statement of "Defendant's Position" (*Appendix G*) going to the question of "invention", and its reliance, throughout its brief in the Court of Appeals, upon prior patents and publications and upon an alleged prior-use pleaded and offered in evidence and of record,[2] all served to distract attention from (and made it impossible for plaintiff to anticipate) the real basis of patent-invalidity later adopted by the Court of Appeals.

[2] See footnote 2 on page 13, *supra*, and see Column 28 of the Patent-Defense Chart.

Petitioner therefore respectfully submits that in so reversing the trial court's fact-finding of invention and in holding plaintiff's patent in suit invalid, upon a ground or defense not assigned or specified in defendant's Statement of Points under Rule 75-d (namely, the ground or defense of want of invention on the face of the patent), the U. S. Court of Appeals, in the case at bar, has deprived plaintiff of valuable property without due process of law, in violation of the Fifth Amendment to the Constitution of the United States (and also in violation of the Federal Rules of Civil Procedure) and in conflict with the above-cited decisions of this Court and of U. S. Courts of Appeal, and, in so doing, the U. S. Court of Appeals for the First Circuit has so far departed from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision.

Conclusion

Petitioner therefore respectfully submits that for each of the *Reasons relied upon for the Allowance of Writ of Certiorari* as set out on pages 15 to 24 of the Petition, and as covered by the correspondingly numbered *Argument-Points* on the preceding pages of this Brief, this Case is one in which a Writ of Certiorari should be granted.

Respectfully submitted,

LEONARD L. KALISH,
MELVIN R. JENNEY,
THOMAS J. FLYNN,
Attorneys for Petitioner.

claim-concordance notes

1 the screen 12 shown, for instance, in Figures 1, 2, 3 & 4 of the drawings of the patent-in-suit (R. pp. 441 & 443)

2 that is, there is a stall-way or *ramp* (or a pair of stall-ways or *ramps*) in front of and behind each drive-way (except possibly the front-most drive-way and the rear-most drive-way)

3 namely, the drive-ways 15, shown in Figures 1, 2, 3, 4, 5, 6, 7 & 8 of the drawings of the patent-in-suit (R. pp. 441-445), which adjoin and merge with the wedge-shaped car-aiming ramps

4 that is, tilted *away* from the screen, as illustrated, for instance, in Figures 3 to 8, inclusive, of the patent-in-suit (R. pp. 443 & 445)

5 the stall-ways have come to be generally referred to (since Hollingshead's invention has gone into general use) as the "car-aiming ramps" or as the "car-tilting ramps" or as the "car-focusing ramps", or just "ramps" for short (see also note 12, below)

6 that is, a vertical angle-of-vision bounded by the two lines which extend from the eye of the car-occupant (in the front or back seat) through the lower and upper edges, respectively, of the wind-shield;—which vertical angle-of-vision will embrace the full vertical dimension of the screen

7 that is, the automobiles which are either on one of the forward car-aiming *ramps* or on one of the forward drive-ways

8 the bulkhead 21, illustrated, for instance, in Figures 4 to 8, inclusive, of the drawings of the patent-in-suit (R. pp. 443 & 445)

9 the projection booth 26, shown schematically or diagrammatically, in Figures 1, 2 & 3 of the drawings of the patent-in-suit (R. pp. 441 & 443)

10 the sound reproducing means are loud-speakers (patent at R. p. 448, lines 78-80 & 84)

11 i.e. "distributed at suitable points" (patent at R. p. 448, lines 74 & 75) on "said stall-ways" or ramps. One of the several illustrations of such "operative relation", pointed out in the specification of the patent-in-suit, is to have the *loud-speakers* "distributed at suitable points in the field" (patent at R. p. 448, lines 74 & 75) so that the "operative relation to said stall-ways" in claims 5 and 6 is the distribution of the loud-speakers "at suitable points" on "said stall-ways" or car-aiming ramps which are the "suitable points in the field" specified in Claims 5 and 6

12 the "automobile tilting means" are the inclined or wedge-shaped *ramps* (see note 5, above) on which the car can be longitudinally inclined (see note 6, above) to varying degrees according to the need of and selection by the car-occupant

13 the car-aiming *ramps* towards the rear are generally higher than those toward the front, as illustrated, for instance, in Figures 3, 6 & 8 of the drawings of the patent-in-suit (R. pp. 443 & 445)

14 the car-aiming *ramps* toward the rear have a lesser inclination, while the car-aiming *ramps* toward the front are at a steeper incline to the horizontal, as illustrated, for instance, in Figures 3, 6 & 8 of the drawings of the patent-in-suit (R. pp. 443 & 445)

applicability of the above claim-concordance notes

	claim-concordance notes													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Claim 2:	•	•	•	•	•	•	•							
Claim 4:	•	•	•	•	•	•	•	•						
Claim 5:	•	•	•	•	•	•	•			•	•			
Claim 6:	•	•	•	•	•	•	•	•	•	•	•			
Claim 10:	•	•	•		•	•	•					•		
Claim 15:	•	•	•	•	•								•	•
Claim 16:	•		•	•	•	•	•						•	•
Claim 19:	•	•	•	•	•	•	•						•	•

The claims of the Hollingshead patent in suit

Claims 2, 4, 5, 6, 10, 15, 16 and 19 of the Hollingshead patent-in-suit, in issue, which defendant has admitted infringing (by the *withdrawal* of its denial* of the allegations of paragraph 12 (R., p. 7) of the Complaint), and which the District Court found to have been infringed by defendant, read as follows (superior numerals, in text of claims, referring to our claim—concordance notes facing this page):

2) An outdoor theater comprising a stage[1], alternate[2] rows[3] of curvilinear automobile drive-ways[3] and curvilinear and vertically inclined[4] automobile stall-ways[5] arranged in front of the stage[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the stage[1];—said automobile stall-ways[5] being at a vertical angle[4] with respect to the stage[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the stage[1], free of obstruction from the automobiles ahead[7] of it.

4) An outdoor theater comprising a stage[1], alternate[2] rows[3] of curvilinear automobile drive-ways[3] and curvilinear and vertically inclined[4] automobile stall-ways[5] arranged in front of the stage[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the stage[1];—said automobile stall-ways[5] being at a vertical angle[4] with respect to the stage[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the stage[1], free of obstruction from the automobiles ahead[7] of it, and an abutment[8] along the front boundary of each of said stall-ways[5] for limiting the forward position of the automobiles therein.

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* See paragraph 8 of the pre-trial Order (R., p. 23).

5) An outdoor theater comprising a screen[1], alternate[2] rows[3] of automobile drive-ways[3] and vertically inclined[4] automobile stall-ways[5] arranged in front of the screen[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the screen[1];—said automobile stall-ways[5] being at an angle[4] with respect to the screen[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the screen[1], free of obstruction from the automobiles ahead[7] of it, a motion picture projection booth[9] in operative relation to said screen[1] and electrical sound reproducing means[10] in operative relation[11] to said stall-ways[5].

6) An outdoor theater comprising a screen[1], alternate[2] rows[3] of automobile drive-ways[3] and vertically inclined[4] automobile stall-ways[5] arranged in front of the screen[1], said stall-ways[5] being adapted to receive automobiles disposed adjacent to each other and facing the screen[1];—said automobile stall-ways[5] being at an angle[4] with respect to the screen[1] such as will produce a clear angle of vision[6] from the seat of the automobile, through the windshield[6] thereof to the screen[1], free of obstruction from the automobiles ahead[7] of it, an abutment[8] along the front boundary of each of said stall-ways[5] for limiting the forward position of the automobiles therein, and a motion picture projection booth[9] in operative relation to said screen[1], and electrical sound reproducing means[10] in operative relation[11] to said stall-ways[5].

10) An outdoor theater comprising a stage[1], alternate[2] rows[3] of automobile drive-ways[3] and automobile stall-ways[5] arranged in front of the stage[1], said automobile stall-ways[5] being adapted to receive automobiles disposed in generally adjacent relation to each other and facing the stage[1], and means for longitudinally tilting[12] the automobiles in said stall-ways[5] in order to produce a generally clear angle of vision[6] from the seat of the automobile through the windshield[6] thereof to the stage[1], generally, free of obstruction from the automobiles ahead[7] of it.

15) An outdoor theater comprising a stage[1], alternate[2] rows[3] of automobile drive-ways[3] and automobile stall-ways[5] arranged in front of the stage[1], said automobile stall-ways[5] being adapted to receive automobiles disposed generally adjacent to each other, said automobile stall-ways[5] being vertically inclined[4] with respect to the horizontal, and successive stall-ways[5], removed from the stage[1], being successively higher[13], and successive stall-ways[5], removed from the stage[1], being at successively lesser angles[14] with respect to the horizontal.

16) An outdoor theater comprising exhibiting means[1] and space for spectators in front thereof, inclined[4] means[5] for supporting automobiles in such space in rows[5] further and further from said exhibiting means[1], the supporting means[5] in the rows[5] further and further away from the exhibiting means[1] being higher[13] and less inclined[14] successively to an extent as will produce a clear line of vision[6] from the seat of an automobile in a row[5], through a windshield[6] thereof to the exhibiting means[1], free of obstruction from the automobile ahead[7] of it, and an automobile drive-way[3] leading to and from said supporting means[5] of a row[5].

19) An outdoor theater comprising exhibiting means[1] and space for spectators in front thereof, inclined[4] means[5] for supporting automobiles in such space in rows[5] further and further from said exhibiting means[1], the supporting means[5] in the rows[5] further and further away from the exhibiting means[1] being higher[13] and less inclined[14] successively to an extent as will produce a clear line of vision[6] from the seat of an automobile in a row[5], through a windshield[6] thereof to the exhibiting means[1], free of obstruction from the automobile ahead[7] of it, and an drive-way[3] at the back of the automobile supporting automobile drive-way[3] at the front and an automobile means[5].

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In the

Supreme Court of the United States

No. 170 October Term, 1949

Park-In Theatres, Inc.
plaintiff-petitioner

v.

Loew's Drive-In Theatres, Inc.
defendant-respondent

Appendices
A, B, C, D, E, F & G
to the Petition for Writ of Certiorari
and
to the Brief in Support Thereof

LEONARD L. KALISH,
Land Title Building,
Philadelphia (10), Pa.

MELVIN R. JENNEY,
24 School Street,
Boston, Mass.

THOMAS J. FLYNN,
Turks Head Building,
Providence, R. I.
Attorneys for Petitioner.

PRESS OF ALLEN, LANE & SCOTT, PHILADELPHIA.

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Appendix A

Defendant's Answer

filed April 4, 1940

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

Defendant above named, M. A. Rogers, answers the Complaint herein as follows:

I. Referring to paragraph I of the Complaint, this defendant is without knowledge of the allegations therein contained and therefore denies the same.

II. Referring to paragraph II of the Complaint, this defendant denies each and every allegation therein contained, except that he admits that he resides in the City of San Bernardino, California, and is a citizen of said state and maintains a regular and established place of business in or near the City of Redlands, California.

III. Referring to paragraph III of the Complaint, subdivision (2), this defendant denies each and every allegation therein contained.

IV. Referring to paragraph IV of the Complaint, this defendant is without knowledge of the allegations contained in each and all of the subdivisions thereof and therefore denies the same.

V. Referring to paragraph V of the Complaint, this defendant denies each and every allegation therein contained.

VI. Referring to paragraph VI of the Complaint, this defendant admits receiving a form of written notice of the said Letters Patent and of the alleged infringement, but denies that in spite of said notice or otherwise that he has

continued infringing or has at all infringed the said Letters Patent.

VII. Referring to paragraph VII of the Complaint, this defendant denies each and every allegation therein contained.

Further answering the Complaint:

VIII. Defendant specifically denies any and all infringement of the Letters Patent referred to in the Complaint.

IX. Defendant, on information and belief, alleges that said Letters Patent are invalid and void for each of the following reasons:

(*a*) Because the alleged invention, or discovery thereof, was patented or described in printed publications in this or foreign countries prior to the said alleged invention or discovery thereof by the said patentee, or more than two years prior to the application for said patent now by said patentee, and which said patents and publications defendant is now unable to identify or to furnish the full data concerning same, but begs leave to add hereto by proper amendment to this answer when such information is obtained.

(*b*) Because the patentee named therein was not the first, original or sole inventor of the alleged improvements disclosed and claimed therein, but on the contrary, the same, in all their material and substantial respects, were invented by others before the said patentee applied for said patent or before his alleged invention or discovery, who were using reasonable diligence in adapting and perfecting the same, the names, addresses, places, and dates of invention of whom defendant is not at present possessed, but begs leave to add hereto by proper amendment to this, his answer, when such information is obtained.

(*c*) Because the alleged invention was in public use and/or on sale in this country before the alleged invention or discovery thereof, by the said patentee, or more than two years prior to the said application for patent and by divers other firms, corporations, associations and individuals, whose names and places of public use or sale this defendant is not at present advised, but begs leave to add thereto by proper amendment to this, his answer, when such information is obtained.

(*d*) Because the alleged invention of said Letters Patent does not constitute patentable invention as distinguished from the ordinary skill of one versed in the art, as established by the instances thereof enumerated in paragraphs (*a*), (*b*) and (*c*) hereof and common knowledge among those skilled in the art to which said Letters Patent relate.

(*e*) Because the alleged invention disclosed therein is incapable of accomplishing any new, original or useful result or improvement.

(*f*) Because from want of invention and because the subject matter of said Letters Patent does not relate to a properly patentable invention within the meaning of the statutes in such case made and provided.

(*g*) Because for the purpose of deceiving the public the respective descriptions and specifications filed in the Patent Office were made to cover less than the whole truth relevant to the alleged invention, or were made to cover more than was necessary to produce the desired effect.

(*h*) Because the description of the alleged invention in the specification of said patent was not in such full, clear, concise and exact terms as to enable any person skilled in the art or science to which they appertain, or with which they are most nearly connected, to make, construct, compound or use the same.

(*i*) Because the subject matter of said Letters Patent and of each claim thereof attempts to claim a combination of apparatus and method and which said method constitutes the mere function only of the apparatus or mechanism or thing disclosed or described in said Letters Patent.

X. This defendant, upon information and belief, avers that by reason of the proceedings in the United States Patent Office during the prosecution of the application which resulted in the said Letters Patent in suit, and the admissions therein made by or on behalf of the alleged inventor in order to induce the grant of the said Letters Patent, plaintiff is estopped to claim for said Letters Patent a construction, were the same otherwise possible, as would cause said Letters Patent to cover or include any apparatus or device manufactured, use, or sold, or caused to be manufactured, used, or sold, by this defendant.

XI. This defendant avers that the result produced by the association of parts, means, elements, or steps described, respectively, in said Letters Patent in suit and each and every of the claims thereof is not a product of combination but a mere aggregation of several effects, each and all of which several effects, as well as parts, means, or elements necessary for their production, were matters of common knowledge among those skilled in the art to which said Letters Patent relates before the alleged invention thereof by said Richard M. Hollingshead, Jr., and more than two years prior to the date of the application for said Hollingshead Letters Patent, and do not represent patentable combinations, but only aggregations of old and well known parts, means, elements, or steps.

This defendant further avers that plaintiff is estopped to assert infringement of the said Letters Patent by this defendant or to maintain this suit by reason of the delay and laches on the part of plaintiff in instituting suit.

Wherefore, this defendant denies that plaintiff is entitled to the relief prayed for or to any relief, and prays to be hence dismissed with his costs in this cause sustained, and for such other and further relief as to the court may seem just.

Appendix B

Defendant's Motion for Summary Judgment

filed November 22, 1940

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

The defendant, M. A. Rogers, moves the Court as follows:

I. For summary judgment pursuant to Rule 56 (b) Federal Rules of Civil Procedure in favor of defendant as to all of the claims asserted by plaintiff, on the ground that the patent sued on herein, and more particularly claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15 thereof, is invalid.

II. To dismiss the action pursuant to Rule 56 (b) Federal Rules of Civil Procedure because the complaint fails to state a claim against defendant upon which relief can be granted.

The grounds for this motion are as follows: That the patent sued on by plaintiff herein is invalid on its face for

(*a*) Want of patentable subject matter
(*b*) Want of patentable combination (aggregation)
(*c*) Want of invention
(*d*) Undue multiplicity of claims.

This motion is based on Rule 56 Federal Rules of Civil Procedure, and more particularly on subdivision (*b*) thereof, which reads as follows:

"Rule 56. Summary Judgment. * * *

(b) For Defending Party. A party against whom a claim, counterclaim or crossclaim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in his favor as to all or any part thereof."

On the hearing of this motion defendants will rely upon the following:

I. The complaint on file in this cause.

II. The hereunto annexed printed copy of the patent in suit, and a certified copy thereof to be substituted at or prior to the hearing of the motion.

III. The notes and annotations to Rule 56 appearing in Balter's Federal Rules of Civil Procedure 1938 Edition, and in the Manual of Federal Procedure 1940 Edition.

IV. The accompanying points and authorities.

Appendix C

Memorandum of Conclusions

filed by Judge Hollzer on February 8, 1941

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

It appearing that the invention embraced in the patent in suit essentially consists of an architectural design or plan comprising driveways and stallways for an outdoor theatre so constructed that the performance may be seen and heard from a series of automobiles so arranged in relation to the stage or screen that the successive cars behind each other will not obstruct the view either while such cars are parked or while moving in or out of said theatre; and

It further appearing that said invention does not constitute a manufacture, machine or composition of matter, or any improvement thereof, and that the same does not constitute a patentable improvement within the meaning of the provisions of Title 35 USCA Section 31;

The Court concludes that the complaint fails to state a cause of action and that defendants' motion for summary judgment should be granted.

(See American Disappearing Bed Co. *v.* Arnaelsteen, 182 Fed. 324, and cases cited therein; also Fruitgrowers, Inc. *v.* Brogdex Co., 283 US 1, and cases cited.)

Minute Order.

For the reasons set forth in the memorandum this day filed, counsel for defendants are required to prepare and serve a judgment in conformity therewith.

Appendix D

Conclusions of Law

filed by Judge Hollzer on February 27, 1941

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

1. The Court has jurisdiction of the parties and of the subject matter of this cause.

2. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15, is invalid in law because the subject matter thereof does not constitute patentable subject matter within the meaning of the provisions of 35 U.S.C.A. Section 31.

3. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15, is invalid in law because the subject matter thereof does not constitute a patentable invention or improvement within the meaning of 35 U.S.C.A. Section 31.

4. The patent in suit, No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14, and 15, is invalid in law because the subject matter thereof essentially consists of an architectural design or plan which is unpatentable under the patent laws.

5. (Stricken.)

6. In view of conclusions 2 to 4, inclusive, hereof, plaintiff could not possibly prevail against defendant should a trial of the cause be had.

7. Defendant is entitled to have his Motion for a Summary Judgment granted.

8. Defendant is entitled to a Summary Judgment holding that the complaint fails to state a cause of action.

9. In view of conclusions 2 to 4, inclusive, hereof, it is not necessary to consider and decide the other grounds specified in defendant's Motion for Summary Judgment.

10. Defendant M. A. Rogers is entitled to a judgment dismissing the complaint and allowing him his costs herein incurred.

Appendix E

Appellant's Concise Statement under Rule 19 (6)

filed on August 11, 1941

in *Park-In Theatres Inc.* v. *M. A. Rogers*

130 F. 2d 745 (CCA-9)

I. The District Court erred in ordering, adjudging and decreeing that the patent in suit No. 1,909,537, granted to Richard M. Hollingshead, Jr., May 16, 1933, for Drive-In Theatre, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid and void in law.

II. The District Court erred in ordering, adjudging and decreeing that the Complaint fails to state a cause of action, or any claim against defendant upon which relief could be granted, and that the Complaint be dismissed.

III. The District Court erred in its Conclusion of Law that the patent in suit No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid in law because the subject matter thereof does not constitute patentable subject matter within the meaning of the provisions of 35 U.S.C.A. § 31.
U.S.C.A. § 31.

IV. The District Court erred in its Conclusion of Law that the patent in suit No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid in law because the subject matter thereof does not constitute a patentable invention or improvement within the meaning of 35 U.S.C.A. § 31.

V. The District Court erred in its Conclusion of Law that the patent in suit No. 1,909,537, as to claims 1, 2, 5, 9, 10, 11, 12, 13, 14 and 15, is invalid in law because the subject matter thereof essentially consists of an architectural design or plan unpatentable under the patent laws.

VI. The District Court erred in its Conclusion of Law that the plaintiff could not possibly prevail against defendant should a trial of the cause be had, and defendant is entitled to have his Motion for Summary Judgment granted because the Complaint fails to state a cause of action.

VII. The District Court erred in its Finding that the subject matter of the patent claims in suit do not constitute an art, machine or manufacture, or a new and useful improvement thereof, within the meaning of 35 U.S.C.A. § 31.

VIII. The District Court erred in not adjudging and decreeing that the subject matter of the patent in suit constitutes an art, machine or manufacture, or a new and useful improvement thereof, within the meaning of 35 U.S.C.A. § 31.

IX. The District Court erred in dismissing the Complaint and denying the appellant's right to a trial on the merits.

Appendix F

Defendant's Opening Statement
on January 24, 1945
in the case at bar

(Tr. 258) "MR. CURRAN:—May it please the Court?

"THE COURT:—Yes.

"MR. CURRAN:—At this time, so that the Court may follow our defense more easily, I would like to state the nature of defense to be presented:

(here a part of defendant's Opening Statement, relating to the contract phase of the case, has been omitted, because not relevant on the Petition for Writ of Certiorari)

(Tr. 262) "In considering the patent we propose to present to Your Honor competent witnesses who can tell the Court whether or not the inventor of this alleged invention even conceived and recognized the real problem at the time he applied for the patent and up to the time that the patent was granted.

"We will show to the Court by competent witnesses that the problems that existed were not solved by this invention.

"We will further point out that the patent in suit does not, within the words of the act of Congress, 'disclose in clear, concise language' and so forth 'sufficiently to enable a person skilled in the art to construct that which the inventor thinks he may have conceived' and that, therefore, the (Tr. 263) patent is invalid.

"We will point out that this is no advancement over the prior art, that previous publications, and previous patents all make manifest, as well as writings and studies, that could have been known to this inventor, all make known to the world, as well as to Mr. Hollingshead in 1932, that the real problem that existed had been solved

by others, including a problem which he did not recognize up to the time and until after the granting of the patent.

• • • • • • • •

"We will ask the Court then to find that we can attack the validity of the patent and we will ask the Court then to find that the patent is invalid. • • •"

Appendix G

Abstract from pages 4 to 7 of

Brief for defendant-appellant

(respondent at bar)

filed in the U.S. Court of Appeals for
the First Circuit, on August 24, 1948,
in Appeal No. 4316

in the case at bar

(explanatory footnotes supplied by petitioner at bar)
(are on following pages 3g & 4g)

"Defendant's Position"

"No Patentable Invention"

"Hollingshead appears to have been the first to have the idea that a drive-in theater would be a worth-while business venture.[1 & 3] It eventually achieved a measure of commercial success, but only after[2] problems of sound distribution had been solved by others than Hollingshead. It is elementary that a profitable idea of a way of conducting a business, however meritorious, new and useful, is not patentable.[3] The right to patent must rest on the inventive genius involved in solving problems of means[3] or structure[3] by which the idea is carried into practical application.

"This case is one of the discovery of a commercial opportunity[3] rather than any invention."

"No patentable invention was involved in laying out[3] and grading a parking lot[3] for drive-in theater purposes."

"Having conceived the idea that a drive-in theater would be a good business venture,[3] Hollingshead, who was not an engineer or an architect, tried the thing out by a crude experiment in the driveway of his house. He raised a small screen up in the air, placed a car about 30 feet away and pointed the car at the screen by jacking up the front end 'so it can see the screen'. Just where else he

would aim the car is hard to imagine. He then placed a car about 30 feet back of the first car, raised that car up by jacks until he could see over the first car, and aimed it at the screen. Hollingshead then filed his patent application, with some crude sketches of a drive-in theater layout, with car locations in concentric arcs as in a theater, necessary aisles or driveways for driving in and out, and a screen and projector. Instead of the jacks which he used in his driveway, in his patent he merely piled up dirt or graded where the cars are to rest for any elevations found necessary or desirable for seeing the screen."

"That is the full extent of Hollingshead's alleged invention.[4] He had done no more than exercise common sense and use ordinary powers of observation and had done nothing requiring any inventive genius.[4] Moreover, as will appear, Hollingshead had merely applied the most elementary and familiar principles and expedients of theater arrangement, long practiced, in locating and adjusting ordinary theater seats for good vision with relation to a stage or screen. The in-door theater commonly has the essential counterparts of everything shown in the Hollingshead patent."[4]

"There was no problem calling for unusual ingenuity, certainly no problem beyond the capacity of a man skilled in the art of arranging seats for good vision in a theater.[4] Also, there had been no unsuccessful efforts[5] wherein others had tried and failed[5] to arrange and grade a lot for viewing a screen from automobile seats, to lend any support to a claim that there was any problem of means which awaited Hollingshead's advent for solution."

"Furthermore, although a theater structure might under some circumstances be patentable subject matter, what Hollingshead did was a mere design[3] or architectural layout[3] and not a 'manufacture or machine' within the patent statute."[3]

"Hollingshead's Description and Claims Fail to Comply with the Statute."

"Hollingshead's description is vague and incomplete and the claims in issue too broad, indefinite and functional to satisfy the statutory requirements."

(here, a part of "Defendant's Position", relating to the alleged "patent-misuse", has been omitted, because the Court of Appeals did not pass on the defenses based thereon)

"The defenses relied upon are among those specified in Defendant's Statement of Points (R., p. 436)."

(FOOTNOTES FOR APPENDIX G)

[1] The idea that an outdoor movie might be a worthwhile business venture *had* occurred to others long prior to Hollingshead (R., pp. 35-6, 48, 55 & 523-5), and the need for a successful drive-in theatre existed long prior to Hollingshead, but Hollingshead's drive-in theatre *construction* was the first to make a drive-in theatre practical and *hence* was the first form of *construction* which made drive-in theatres "a worthwhile business venture".

[2] This is neither relevant nor borne out by the record, because the patent itself, within its own four corners, describes the individual speakers distributed over the car-aiming ramps (R., pp. 448, lines 78-80 & 74-5 and R., p. 450, lines 49-51 & 68-70) which is the *only* "problem of sound distribution" which respondent (defendant-appellant below) relied upon on this phase of its argument (without anything in the record to show that "others than Hollingshead" solved this problem).

[3] This goes to the contention (overruled in *Park-In Theatres, Inc.* v. *M. A. Rogers, et al,* 130 F. 2d 745, CCA-9), that the drive-in theatre of the patent-in-suit is not a "machine", a "manufacture" or an "art" within the meaning of 35 U.S.C.A. 31, but is instead one or the other of the many kinds or classes of ideas (such as a *"method of doing business"* or a *"way of conducting a business"* or an *"architectural plan or layout"*) which are outside the scope of the statutory classes of "machine", "manufacture" and "art".

[4] This either goes to

a) the contention of non-invention on the *face* of the patent, *without reliance upon any of the prior-art or prior uses pleaded and of record*, in which case it goes to a defense which was *neither pleaded nor assigned* by respondent (defendant-appellant below) in its *Statement of Points* (R., pp. 436-8) under Rule 75-d (F.R.C.P.) and, as such, was not a proper matter to be considered on appeal, under *Jesionowski* v. *Boston & Maine Railroad* (329 U.S. 452, 458-9; 91 L.Ed. 416, 421),

or

b) the contention of "non-invention over the prior-art" *which was pleaded and is of record*, and as to which the trial court heard much testimony (this is not the basis of the appellate court's holding of invalidity, but if it were, then the appellate court's decision would still be in conflict with the recent decision of this Court in *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.* (U.S. ; 93 L. Ed. 492), to the effect that a trial court's fact-findings may not be reversed on appeal if there is any evidence to support them (just as a jury's verdict may not be set aside upon a fact-question on which there is any evidence sustaining the verdict).

[5] In paragraph 18 of its Answer, respondent (defendant-appellant below) affirmatively pleaded that prior to Hollingshead, others knew of drive-in theatre and "were using reasonable diligence in adopting and perfecting same". First by pre-trial deposition and then upon the trial, respondent (defendant-appellant below) introduced testimony in an effort to prove that one of such persons (so affirmatively pleaded in paragraph 18 of the Answer) was defendant's own president, Elias M. Loew, and that *his* alleged *prior* "diligence in adopting and perfecting" the subject matter of the patent-in-suit was in his own motion-picture theatre known as the "Watertown Square Theatre" near Boston. Although the evidence (and the trial court's implied finding) is that Mr. Loew *failed* to achieve a successful drive-in theatre, notwithstanding his alleged *prior* "diligence in adopting and perfecting" the subject-matter of the patent-in-suit, nevertheless this affirmative pleading, alone (standing as respondent's *judicial admission*), should have been conclusively against this appeal-contention "5", which was not pleaded nor assigned in respondent's *Statement of Points* (R., pp. 436-8) under Rule 75-d (F.R.C.P.), and the appellate court's adoption (see *patent-defense Chart:* line 11, column 29) of this (irrelevant though) supposedly factual premise "5" was in conflict with the well-established rule as to the effect of judicial admissions flowing from a party's pleadings.